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REPORT

of

THE CANADIAN WHEAT BOARD

Crop Year 1947-1948



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PREFACE

The Annual Report of The Canadian Wheat Board for the crop year 1947-48 is presented in four Parts. Part I. deals with The Canadian Wheat Board's main function of acquiring, handling and disposing of producers' wheat. Part II. deals with special operations of the Board, authorized by the Dominion Government. Part III. presents the Board's Financial Statements. Part IV. is the Auditor's Report.

Report of The Canadian Wheat Board

Crop Year 1947-1948

The RIGHT HONOURABLE C. D. HOWE,

Minister of Trade and Commerce,

OTTAWA, Canada.

Sir:

We beg to submit herewith the Annual Report of The Canadian Wheat Board for the crop year ending July 31st, 1948, as required by The Canadian Wheat Board Act, 1935.

PART I

THE MARKETING OF PRODUCERS' WHEAT

1. General Comment—Crop Year 1947-48

The world food situation was again critical during 1947-48. Unusually cold weather in Europe caused winter killing and abandonment of acreage and these conditions were followed by severe drought. As a result, the European wheat harvest, exclusive of Russia, was about 600 million bushels below pre-war levels and importing countries had to rely heavily upon stocks of grain available in the chief exporting countries. At the same time, the continuing shortage of rice in India, China and the Far East added to an already difficult world food problem.

Decreased production in Europe was offset to some extent by larger available supplies in the four chief exporting countries. During the crop year, exports of wheat and wheat flour from the United States, Canada, Australia and Argentina amounted to nearly 900 million bushels and were larger than in any crop year since 1928-29. Of this total, the United States exported a record quantity of 480 million bushels of wheat and wheat flour; Canada provided 196 million bushels and Argentina and Australia together exported slightly more than 200 million bushels.

The large wheat export programme carried out by the United States was made possible by the record crop harvested in that country during 1947, while the smaller volume of exports from Canada reflected the low inward carryover and smaller supplies available from the 1947 crop.

During the year, Canada again co-operated with the Cereals Committee of the International Emergency Food Committee in an endeavour to secure equitable distribution of the limited grain supplies available.

2. The Wheat Policy

During 1947-48, the Board administered the third year of the pool period as provided for in the 1947 amendments to The Canadian Wheat Board Act, 1935.

The initial price of \$1.35 per bushel basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver continued in effect from August 1st, 1947 to March 31st, 1948. However, on August 26th, 1947, the Honourable James A. MacKinnon announced that early in the next session of Parliament, the Dominion Government would recommend an increase in the Board's initial price retroactive to August 1st, 1945.

On March 25th, 1948, the Right Honourable C. D. Howe announced that effective April 1st, 1948, the initial price would be increased by 20 cents per bushel and that an adjustment payment of 20 cents per bushel would be made on all wheat delivered by producers to the Board between August 1st, 1945 and March 31st, 1948. The effect of this increase was to bring the Board's initial price to \$1.55 per bushel basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver.

On July 31st, 1948, the Right Honourable C. D. Howe announced that the domestic price of western wheat would be increased to \$2.00 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver, plus carrying charges. At the same time, Mr. Howe announced that the Board was instructed to refund 45 cents per bushel (increased to 46½ cents per bushel on September 1st, 1948) on sales of western wheat to millers and other processors of wheat for human consumption in Canada. The Dominion Government undertook to ask Parliament at the first opportunity to vote funds to reimburse the Board for all refunds made to millers and other processors, and all costs involved in the administration of the domestic subsidy.

Pursuant to the increased domestic price the Board required an adjustment of 46½ cents per bushel on all stocks of Board wheat held by agents of the Board, mills, feed dealers and others, including wheat purchased from the Board on a conditional price basis.

3. Amended Act

In 1948 Parliament amended The Canadian Wheat Board Act, 1935, to provide the powers necessary to enable the Board to carry out grain policy as established by the Dominion Government.

Under 1948 amendments to the Act, the Governor in Council was given the power to increase but not to decrease the initial price paid to producers during the pool period. At the same time, provision was made for the adjustment of payments to producers who deliver wheat to the Board during the pool period prior to the effective date of any increase in the initial payment.

The amendments also empowered the Board to control interprovincial movement of wheat products.

A new section was incorporated in the Act to provide that the Governor in Council, by regulation, may extend the provisions of the Act to oats and barley. The provisions of the Act in regard to oats and barley may

only be brought into effect at the beginning of a crop year and each pool period would be limited to one crop year.

Provision was made whereby, with the approval of the Governor in Council, the Board may establish a Pension Fund for the members, officers and employees of the Board.

4. Crop Development and Wheat Supplies

Wheat acreage in Canada was practically unchanged from that of the previous year, a total of 24,260,400 acres being seeded in 1947 as compared with 24,076,100 in 1946. In the Prairie Provinces 23,357,000 acres were seeded to wheat in 1947 as compared with 23,354,000 acres in the previous year.

A backward spring in the Prairie Provinces resulted in the 1947 wheat crop being seeded ten days later than usual with germination and growth retarded by weather conditions. Because of better than average precipitation in the fall of 1946, moisture supplies in the early part of the season were adequate, except for limited areas in northern Saskatchewan and Alberta.

Good spring rains were experienced over fairly wide areas in the west and the condition of the growing crop improved steadily throughout the month of June. Peak condition was reached toward the end of June. Early in July, a period of hot, dry weather set in which was detrimental over large sections of the Prairie Provinces where spring precipitation had been deficient. During July, the crop outlook in western Canada deteriorated sharply and by the end of that month it was evident that the 1947 crop would be considerably smaller than the previous harvest. Final estimates placed the 1947 wheat production in the Prairie Provinces at 320 million bushels as compared with 393 million bushels harvested in 1946.

In eastern Canada wheat production amounted to 18.8 million bushels as compared with 17.6 million bushels in 1946. The increase in wheat production in eastern Canada was due entirely to the somewhat higher acreage seeded to wheat in 1947, the yield per acre being below that of the previous year.

Total production of wheat in Canada during 1947 was 341.8 million bushels compared with 413.7 million bushels produced in the previous year.

The Canadian carryover of wheat, including stocks on farms on July 31st, 1947, was 87.4 million bushels as compared with 73.6 million bushels on July 31st, 1946. Total wheat supplies in Canada during 1947-48 amounted to 429.2 million bushels.

5. Board Receipts

On August 1st, 1947, commercial stocks of wheat in Canada amounted to 57.4 million bushels. To these stocks were added producers' marketings of western wheat as follows:

Board Receipts—Western Division

Month	Bushels Received
August, 1947.....	359,270-45
September.....	73,364,820-50
October.....	73,105,024-50
November.....	24,813,278-45
December.....	8,900,707-55
January, 1948.....	17,577,064-00
February.....	3,923,594-40
March.....	4,519,738-50
April.....	2,630,455-15
May.....	4,712,327-50
June.....	16,015,635-30
July.....	14,019,446-00
Total.....	<u>243,941,365-10</u>

It will be noted from the above table that there was a concentration of deliveries during September, October and November when 171.3 million bushels of wheat were marketed, an up-swing during the month of January and relatively heavy marketings during June and July.

Export Movement

During 1947-48, exports of wheat (including flour) amounted to 196.1 million bushels as compared with 242.8 million bushels in the previous year. The following table shows the monthly distribution of Canadian wheat exports (including flour):

Exports of Canadian Wheat*

(Including Flour)

By Months

Crop Year 1947-48

Month	(TOTAL) (million bushels)
August, 1947.....	16.6
September.....	15.2
October.....	16.8
November.....	17.4
December.....	12.4
January, 1948.....	19.6
Total — August - January.....	<u>98.0</u>
February, 1948.....	14.8
March.....	15.3
April.....	14.2
May.....	20.7
June.....	17.2
July.....	15.9
Total — February - July.....	<u>98.1</u>
TOTAL —	
AUGUST - JULY, 1947 - 48.....	<u>196.1</u>
TOTAL —	
AUGUST - JULY, 1946 - 47.....	<u>242.8</u>

* Source: Board of Grain Commissioners for Canada.

Exports of wheat from Canada were evenly divided between the first half and the last half of the crop year. Exports were lower than normal for the last three months of the crop year because available supplies were not sufficient to support a heavier movement from seaboard.

The following table shows the export movement of Canadian wheat (not including flour) for 1947-48 by countries of destination:

EXPORTS OF CANADIAN WHEAT*
BY COUNTRIES OF FINAL DESTINATION

Crop Year 1947-48

	August to January (bushels)	February to July (bushels)	Total (bushels)
United Kingdom.....	55,791,286	66,311,020	122,102,306
Iraq-Iran.....	339,000	—	339,000
Malta.....	1,419,829	1,182,484	2,602,313
Palestine.....	1,842,680	—	1,842,680
Belgium.....	1,900,525	1,395,447	3,295,972
Egypt.....	651,236	—	651,236
Netherlands.....	1,342,667	1,152,799	2,495,466
U.S.A. Imports.....	54,997	78,563	133,560
Other Countries.....	17,050	25,681	42,731
TOTAL.....	63,359,270	70,145,994	133,505,264

* Source: Board of Grain Commissioners for Canada.

NOTE: The above export statistics do not exactly correspond with Board sales because in some instances there is a time lag between the sale and the actual clearing of the wheat at seaboard.

In addition to the above quantities of wheat, 62.6 million bushels of wheat in the form of flour were exported from Canada during 1947-48. Chief purchasers among the 68 countries buying flour from Canada were the United Kingdom, India, Italy, Norway, Newfoundland and the British West Indies.

In 1947-48, exports of wheat through eastern Canadian ports totalled 76.6 million bushels and through eastern United States ports, 15.7

million bushels. Pacific Coast clearances amounted to 36.1 million bushels and 5.0 million bushels were cleared through Churchill.

**6. Administration of the Canada-
United Kingdom Wheat Agreement**

The Board continued to administer the Canada-United Kingdom Wheat Agreement. During the second year of the Agreement, the following administrative developments were important:

Carrying Charges

In accordance with the Agreement, the Board entered into negotiations with United Kingdom authorities with respect to the 1947-48 carrying charge on all wheat shipped to the United Kingdom. A carrying charge of 3½¢ per bushel, the same as in the previous crop year, was agreed upon, this amount being paid by the British Government over and above the 1947-48 Agreement price of \$1.55 per bushel for No. 1 Northern wheat in store Fort William/Port Arthur, Vancouver or Churchill.

Provision of Flour

The flour content of the Canada-United Kingdom Wheat Agreement for the crop year 1947-48 was negotiated between the two Governments. It was agreed that Canada would supply 750,000 tons of flour in 1947-48. This quantity was 110,000 tons more than that supplied to the United Kingdom during the crop year 1946-47 and 210,000 tons above the minimum quantity provided for under Clause 1 (a) of the Agreement.

During the crop year 1947-48 supplies of commercial wheat available in Canada were only slightly in excess of the quantities required for the domestic market and to implement the United Kingdom Agreement; consequently there was very little wheat which could be made available to the milling industry in Canada for the purpose of Class II sales of flour. Under the circumstances the United Kingdom agreed to enlarge flour purchases under the Agreement, thereby increasing the mill grind of wheat in Canada. The United Kingdom also assisted the smaller Canadian mills by taking 110,000 tons of flour from mills which had previously sold little or no flour to the United Kingdom.

Quantities Supplied Under Agreement—1947-48

By July 31st, 1948, the Board had made available 132.0 million bushels of wheat to

the United Kingdom under the 1947-48 terms of the Agreement. In addition to this quantity of wheat, the Board sold Canadian mills 38.6 million bushels of wheat for the production of flour to be shipped to the United Kingdom under the Agreement. Of this quantity, the equivalent of 28 million bushels was for delivery to the United Kingdom as flour and the equivalent of 10.6 million bushels was retained in Canada in the form of mill offals. Thus the provision of wheat for the United Kingdom under the 1947-48 terms of the Agreement was the equivalent of 160 million bushels.

At the end of the crop year the Governments of Canada and the United Kingdom acknowledged that the terms of the Agreement for 1947-48 had been fulfilled.

7. Transportation

As in immediately preceding years, the major transportation problem was the provision of adequate stocks in eastern position for fall and winter shipment of wheat to the United Kingdom and to meet domestic requirements for all grains. Accordingly, the Board requested the railways to undertake the movement of substantially the quantity of grain that would be delivered by producers up to the end of November. For its part, the Board agreed to remove or increase delivery quotas as rapidly as possible in order to provide maximum quantities of grain for shipment from country elevators.

Early in October, it became apparent that the railroads would not be able to move the quantity of grain which the Board considered desirable. The fall movement from country elevators was adversely affected by a sharp decrease in carloadings after mid-October. The smaller movement from country elevators made it necessary for the Board to reduce fall and winter export programmes accordingly.

At the commencement of the winter season, some 80 million bushels of wheat were in store country elevators and this quantity was supplemented by producers' deliveries during the winter months of 32 million bushels. During the winter the railroads reduced country elevator stocks to approximately 25 million bushels at the end of April and for the balance of the crop year, the extent to which transportation could be used depended largely on current producers' marketings.

In order to make the best use of available transportation and to assist in meeting export commitments by the end of July, the Board appealed to producers to deliver their remaining surplus wheat in June rather than during the final month of the crop year.

During the crop year, the railways shipped 410.7 million bushels of grain and flaxseed from country elevators to all destinations, leaving country elevator stocks at minimum levels on July 31st, 1948.

8. Delivery Quotas

On March 31st, 1947, the Honourable James A. MacKinnon announced in the House of Commons that for the crop year 1947-48 and until further notice, certain changes were to be made in the basis used for establishing seasonal wheat delivery quotas. Mr. MacKinnon pointed out that it was not the intention of the Dominion Government to place a crop year limitation on wheat deliveries and that it was thought advisable to base seasonal delivery quotas for wheat upon seeded acreage. In the case of wheat this was a departure from the practice which had been in effect since August 1st, 1941, at which time an "authorized" wheat acreage was established for each producer within the area of Board operation as the basis for deliveries of wheat.

At the beginning of the crop year, it was announced that delivery quotas on wheat, oats and barley would be left "open" until new crop deliveries reached such a volume as to make necessary the establishment of delivery quotas for these grains.

The Board decided that delivery quotas on oats and barley would be unnecessary during the crop year. On August 21st, 1947, approximately one-half of the delivery points in Saskatchewan and one-third of the points in Alberta were placed on an "open" quota for wheat. On the same date, a 10 bushel quota on wheat was established throughout Manitoba as well as at the remaining points in Saskatchewan and Alberta.

Wheat quotas were increased rapidly at individual points as space became available and on October 14th, all delivery points in western Canada were placed on an "open" delivery quota basis. At the same time, it was announced that producers could deliver their remaining grain during the balance of the crop year at any delivery point where space was available.

9. Elevator Handling Agreement

Increased tariffs established by the Board of Grain Commissioners for Canada in respect to country and terminal elevator charges and storage rates, were reflected in the 1947-48 Agreement negotiated with the handling companies.

The 1947-48 Agreement entered into with handling companies included the following changes: (1) an increase in the terminal handling charges, (2) an increase in the country elevator handling margin on wheat from 3 to 3½ cents per bushel and on flaxseed from 5 to 8 cents per bushel, (3) an increase in the storage rate from 1/45 of a cent to 1/30 of a cent per bushel per day, (4) an increase in all diversion charges of ½ cent per bushel on wheat and 1 cent per bushel on flaxseed.

10. Position of the Five-Year Pool

In accordance with the Canadian Wheat Board Act as amended in 1947, the 1945, 1946 and 1947 Crop Accounts are part of a five-year pool extending from August 1st, 1945 to July 31st, 1950.

As at July 31st, 1948, the position of this five-year pool was as follows:

1. Wheat Acquired by the Board	(Bushels)	
(a) Producers' Deliveries: 1945-46 Crop.....	235,432,182-50	
1946-47 Crop.....	335,158,698-05	
1947-48 Crop.....	243,941,365-10	
	<u>814,532,246-05</u>	
(b) Wheat Otherwise Acquired ¹	7,396,499-53	
Total Wheat Acquired.....	<u>821,928,745-58</u>	
	(Value)	(Value)
2. Cost of Wheat Acquired August 1st 1945 to July 31st 1948.....		\$1,238,664,131.84
3. Proceeds of Sales, August 1st 1945 to July 31st 1948 and Inventory		
(a) Sales	\$1,281,223,489.35	
(b) Inventory — July 31st 1948 ²	<u>51,426,441.74</u>	1,332,649,931.09
		<u>93,985,799.25</u>
4. DEDUCT: Funds Transferred to 1944 Crop Account ³		12,000,000.00
		<u>81,985,799.25</u>
5. ADD: Recovery of Storage, Interest and Differential Charges, Etc.....		21,450,648.99
		<u>103,436,448.24</u>
6. Gross Surplus as at July 31st 1948.....		
7. Operating Costs to July 31st 1948		
(a) Carrying Charges Including Terminal Storage	22,924,920.60	
(b) Interest and Bank Charges (Net).....	(1,169,531.56)	
(c) Additional Freight (Net).....	34,948.11	
(d) Administrative and General Expenses.....	2,574,625.67	
(e) Other Costs ⁴	<u>1,238,605.82</u>	25,603,568.64
8. Surplus as at July 31st 1948.....		77,832,879.60
Less: Cost of Adjustment Payments.....		741,983.46
Net Surplus as at July 31st 1948.....		<u>\$ 77,090,896.14</u>

¹ Purchases of wheat produced in non-designated areas, salvage wheat and overages at terminal and country elevators, etc.;

² Inventory stocks of 25,652,048-01 bushels valued basis \$2.00 per bushel for No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver;

³ Funds transferred to the 1944 Crop Account under authority of Order-in-Council P.C. 4869 of November 26th 1946 so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts;

⁴ Mainly costs of conditioning wheat stocks at Pacific Coast ports prior to overseas shipment.

As shown by the above table, the net surplus in the 1945-1949 pool was \$77,090,896.14 as at July 31st, 1948.

11. Board Operating Costs—Producers' Wheat

From August 1st, 1945 to July 31st, 1948 (three full crop years) the Board's operating costs applicable to producers' wheat amounted to \$26,345,352.10. Of these operating costs, the Board recovered \$21,450,648.99 (principally in carrying charges consisting of storage and interest on domestic and United Kingdom wheat).

The main elements in the Board's operating costs for the first three years of the five-year pool are summarized as follows:

- (1) CARRYING CHARGES— On 821,928,745-58 bushels of wheat delivered to the Board between August 1st, 1945 and July 31st, 1948, the carrying charges amounted to \$22,924,920.60.
- (2) ADMINISTRATIVE AND GENERAL EXPENSES— From August 1st, 1945 to July 31st, 1948,

administrative and general expenses amounted to \$2,574,625.67. These costs amounted to 0.3132 cent per bushel on total wheat acquired.

- (3) INTEREST AND BANK CHARGES— Interest earned by the Board on surplus funds exceeded interest paid by the Board in respect to the first three years of the five-year pool.
- (4) ADJUSTMENT PAYMENTS— The cost of making adjustment payments to producers on the 1945, 1946 and 1947 Crop Accounts was \$741,983.46.
- (5) OTHER OPERATING COSTS— All other operating costs of the Board for the period from August 1st, 1945 to July 31st, 1948, totalled \$1,273,553.93. These costs were principally incurred in the drying and conditioning of wheat at the Pacific Coast prior to shipment overseas.

12. Distribution of Sales—1945-49 Pool

The following table shows the distribution of wheat sales and other disposition along with the sales basis, 1945-49 pool, to July 31st, 1948:

	Quantity (bushels)	Sales Basis ¹ (Basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver)
To United Kingdom and Other Countries prior to the Canada-United Kingdom Agreement	208,013,770-19	\$1.55 per bushel ²
To United Kingdom for the Canada - United Kingdom Agreement	339,573,479-24	\$1.55 per bushel ³
To Other Countries subsequent to the Canada-United Kingdom Agreement.....	94,732,851-42	Average of \$2.51 per bus.
To the Domestic Market.....	153,144,745-22 ⁴	{ 38,403,390-40 bus. @ \$1.25 per bus. ⁵ 114,741,354-42 bus. @ \$1.55 per bus.
	795,464,846-67	
Weight Losses in Transit and in drying and reconditioning wheat	811,851-10	
Total Sales to July 31st 1948.....	796,276,697-57	

¹ Exclusive of any carrying charges recovered;

² Board's Class II price and Order-in-Council P.C. 6122, September 19th, 1945;

³ As provided for 1946-47 and 1947-48 in the Canada-United Kingdom Wheat Agreement;

⁴ Since wheat for domestic use in 1945-46 was supplied from the 1944 Crop Account, a transfer of \$12,000,000.00 from the 1945 Crop Account to the 1944 Crop Account was authorized by Order-in-Council P.C. 4869 of November 26th 1946, so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts;

⁵ \$1.25 per bushel to February 17th 1947 when the domestic price was increased to \$1.55 per bushel basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver.

13. Selling Prices—Class II Wheat

1946-47— During 1946-47 the Board's Class II price ranged from \$2.05 per bushel to \$3.10 per bushel, basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver. The Board's average selling price for Class II wheat in 1946-47 (including sales of Class II wheat from stocks in agents' hands on July 31st, 1947) was \$2.43 per bushel, basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver.

1947-48— During 1947-48 the Board's Class II price ranged from \$2.37 per bushel to \$3.45 per bushel, basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver. The Board's average selling price for Class II wheat in 1947-48 (including sales of Class II wheat from stocks in agents' hands on July 31st, 1948) was \$2.88 per bushel, basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver.

14. Payment Division

In 1947-48 the Payment Division was one of the largest and most active departments of the Board. The following table summarizes the work of the Payment Division in 1947-48:

PAYMENTS COMMENCED IN 1947-48	Bushels	Rate of Payment ¹	Amount of Payment	Number of Cheques
1944 Crop Account (Final).....	330,477,808-10	18.677¢ per bus. ²	\$ 61,908,881.21	259,857
1945-49 Pool Account:				
1945 Crop Adjustment Payment	228,142,679-40	20¢ per bus.	45,173,397.25	253,828
1946 Crop Adjustment Payment	303,088,759-30	20¢ per bus.	60,012,663.10	263,151
1947 Crop Adjustment Payment to March 31st, 1948	160,060,177-20	20¢ per bus.	31,691,915.63	181,671
CONTINUATION OF PAYMENTS COMMENCED IN PREVIOUS CROP YEARS				
1940 Crop Account (Final).....	590,749-15	6.215¢ per bus. ²	39,947.87	1,622
1941 and 1942 Crop Accounts..... (Final).....	840,720-30	{ 1941 — 15.336¢ per bus. ² 1942 — 12.502¢ per bus. ²	112,003.55	3,518
1943 Crop Account (Final).....	12,231,331-10	12.146¢ per bus. ²	1,546,111.69	25,271
1945-49 POOL ACCOUNT:				
1945 Crop Adjustment Payment.....	13,162,282-05	10¢ per bus.	1,303,012.18	26,230
OATS AND FLAXSEED				
1946-47 Equalization Fund — Oats	103,919,397-00	3.623¢ per bus.	3,764,997.21	173,911
1947 Flaxseed Account — Adjustment Payment.....	9,366,739-20	50¢ per bus.	4,683,369.58	47,858
TOTAL	1,161,880,644-00		\$210,236,299.27	1,236,917

¹ Including 1% P.F.A.A. levy on wheat adjustment payments.
² Basis No. 1 Northern in store Fort William/Port Arthur or Vancouver.

The foregoing table shows that during the year under review the Payment Division issued 1,236,917 cheques pursuant to the payments involving the distribution of \$210,236,299.27 on a total of 1,161,880,644 bushels of wheat, oats and flaxseed.

Wheat payment operations involve the assembling of approximately 2,500,000 original producers' certificates for each crop account.

These certificates in turn have to be checked against the duplicate in the Board's files and consolidated by grades before a payment cheque can be issued. While the Payment operation has been mechanized to a considerable extent, a large clerical staff is required in assembling and consolidating producers' certificates up to the time individual growers' payments are calculated and the cheques prepared by mechanical process.

A considerable staff is required to deal with matters which arise out of a payment, such as the difficulties arising from lost certificates, the re-direction of cheques in the case of estates and the continuous recording of changes in addresses of producers. This same staff makes an effort to get in touch with producers who fail to send in their producers' certificates in the ordinary manner. Special procedures are required in the case of producers who are now resident outside of Canada.

The staff required for Payment work in 1947-48 varied throughout the crop year but on August 1st, 1948, 329 employees were wholly or in part engaged in Payment work. About two-thirds of this number were on a full time basis in the Payment Division and the balance were combining Payment work with other Board work.

15. Staff and Offices

The work of the Board continued to be largely centralized in the Head Office organization at Winnipeg. Other offices were maintained at Calgary, Vancouver, Toronto, Washington, D.C., and London, England. The number of the Board personnel in the various offices as at August 1st, 1948, was as follows:

Head Office — Winnipeg.....	657
Calgary, Alberta.....	32
Vancouver, B.C.....	17
Toronto, Ontario.....	2
Washington, D.C.....	2
London, England.....	2
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The increase in the Board's staff on August 1st, 1948 as compared with August 1st, 1947 was due entirely to the increase in the work of the Payment Division as outlined in the preceding section of this Report. As far as the normal operations of the Board were concerned, some reduction in staff took place during the crop year.

The *Calgary, Vancouver and Toronto Offices* of the Board carried on their usual operations in 1947-48. Following the de-control of Ontario Winter Wheat in June 1948 and the discontinuance of other Board activities, the *Toronto Office* was closed on August 31st, 1948.

The *Washington Office* continued liaison work with the United States Department of Agriculture and with the Cereals Committee of the International Emergency Food Committee. The Board's representative in Washington assisted in the general sales work of the Board during the crop year under review.

In the *London Office*, Mr. R. V. Biddulph, European Commissioner, continued his liaison work with the Imported Cereals Division of the United Kingdom Ministry of Food and kept the Board in touch with various overseas markets. During the year, Mr. Biddulph returned to Canada for consultation with the Board in connection with overseas developments.

16. Legal Department

The Legal Department continued to deal with all matters of a legal nature which arose in the operations of the Board during the crop year. It also dealt with matters arising from coarse grain payments and payments on producers' certificates, with particular reference to lost certificates and certificates held by estates.

Only a small number of breaches of grain delivery regulations were reported in 1947-48. Prosecutions were carried out in 14 instances as compared with 65 prosecutions in 1946-47.

17. The Canadian Wheat Board

In May, 1948, Mr. F. L. M. Arnold resigned as Commissioner. In July, Dr. T. W. Grindley was appointed to the vacancy on the Board and in August, Mr. C. B. Davidson was appointed Secretary to succeed Dr. Grindley.

It is with sincere regret that the Board records the death on August 21st, 1948, of Mr. F. L. M. Arnold, Commissioner of the Board from February, 1947 to May, 1948.

18. Closing of the Toronto Office

The work of the Toronto Office gradually lessened during the crop year, and in August, 1948, this office was closed. The Board desires to record its appreciation of the services rendered by Mr. L. S. Johnston, Manager of the Toronto Office since 1939, and of Mr. J. G. Davidson, who, for slightly over a year, was Eastern Feed Grains Representative of the Board.

19. *Advisory Committee*

The Board desires to record its appreciation of the services rendered by the Advisory Committee during the year under review. Four meetings of the Advisory Committee were held and on each occasion the operations of the Board, and the general grain situation were reviewed. Members of the Advisory Committee during 1947-48 were:

Messrs. —

Lew Hutchinson,	
Chairman.....	Duhamel, Alta.
R. C. Brown.....	Winnipeg
D. A. Campbell.....	Montreal
F. H. Clendenning.....	Vancouver
P. Farnalls.....	Halkirk, Alta.

C. E. Hayles.....	Winnipeg
J. A. McCowan.....	Summerberry, Sask.
F. Pettypiece.....	Auld, Ont.
J. Theo Roy.....	Montreal
C. Gordon Smith.....	Winnipeg
J. H. Wesson.....	Regina

With regret the Board records the resignations of Mr. D. A. Campbell and Mr. C. Gordon Smith as members of the Advisory Committee. Mr. Campbell had served on the Advisory Committee since its inception in 1940, and Mr. Smith was a member since 1946.

Mr. D. I. Walker, Toronto, was appointed to the Advisory Committee to succeed Mr. Campbell and Mr. J. C. A. Nijdam was appointed to succeed Mr. Smith.

PART II

SPECIAL OPERATIONS ON BEHALF OF THE DOMINION GOVERNMENT

In 1947-48 the Board continued to administer special operations on behalf of the Dominion Government. These operations are summarized as follows:

1. Oats and Barley

(a) *Minimum Prices*— In 1947-48 the Board was empowered to buy Winnipeg oats futures or cash oats at a price per bushel which would assure that producers in Western Canada would be continuously offered 61½¢ per bushel basis No. 1 Feed Oats in store Fort William or Port Arthur.

During 1947-48 the Board was empowered to buy Winnipeg barley futures or cash barley at a price per bushel which would assure that producers in Western Canada would be continuously offered 90¢ per bushel basis No. 1 Feed Barley in store Fort William or Port Arthur.

The Board was also empowered to support prices for other grades of oats and barley in proper relation to No. 1 Feed Oats and No. 1 Feed Barley.

(b) *Maximum Prices*— During the period from August 1st, 1947 to October 21st, 1947 maximum prices for oats and barley remained at 65¢ per bushel and 93¢ per bushel respectively, basis in store Fort William/Port Arthur or Vancouver. On October 21st the Dominion Government announced the removal of maximum prices applicable to oats and barley.

(c) *Limitation on Exports*— Under authority of the Dominion Department of Agriculture, exports of oats and barley were restricted during the greater part of the crop year. Late in the crop year the Board was authorized to issue export permits covering limited quantities of oats and barley.

(d) *Equalization Funds*— During the crop year the Board collected equalization fees on exports of oats and barley amounting to

\$4,301,586.32 and \$4,432,103.97, respectively (including interest). These amounts, less administrative and payment costs, are in process of distribution to producers at the date of this Report. In May, 1948 the Board commenced the distribution of the 1946-47 Oats Equalization Fund; the payment amounting to \$3,764,997.21 or 3.623¢ per bushel on producers' marketings of oats for the year ending July 31st, 1947.

(e) *Special Payment*— On July 28th, 1948 under Order-in-Council P.C. 3395 the Dominion Government authorized the Board to distribute from funds supplied by the Commodity Prices Stabilization Corporation Limited an adjustment payment of 5 cents per bushel on oats and 11 cents per bushel on barley to producers who had sold and delivered oats or barley to a dealer during the period August 1st, 1947 to October 21st, 1947. This payment was distributed during October, 1948.

2. Flaxseed

The basis of the 1947-48 flaxseed programme is set forth in Order-in-Council P.C. 3038, July 31st, 1947, and Order No. 751 of the Wartime Prices and Trade Board, effective August 1st, 1947. Under Order-in-Council P.C. 3038, The Canadian Wheat Board was empowered to purchase flaxseed from producers from August 1st, 1947 to July 31st, 1948, at the fixed price of \$5.00 per bushel for No. 1 Canada Western Flaxseed basis in store Fort William/Port Arthur or Vancouver and to purchase Eastern Flaxseed in the same period at the fixed price of \$5.00 per bushel for No. 1 Canada Eastern Flaxseed basis in store Montreal.

Under Wartime Prices and Trade Board Order No. 751, the maximum price at which flax might be sold or offered for domestic sale was \$5.00 per bushel basis No. 1 Canada Western Flaxseed in store Fort William/Port Arthur or Vancouver. A similar domestic

ceiling price was established for Canada Eastern Flaxseed basis in store Montreal. The effect of Order-in-Council P.C. 3038 and the Wartime Prices and Trade Board Order No. 751 was to direct virtually all producers' marketings of commercial flaxseed to the Canadian Wheat Board during the crop year 1947-48.

Under Order-in-Council P.C. 3038 the Board was required to sell or dispose of all flaxseed acquired "at such prices and to such persons as are designated by the Oils and Fats Administrator of the Wartime Prices and Trade Board". The principal instructions received by the Board were the setting aside on September 15th, 1947 of 7.5 million bushels of flaxseed for domestic crushing and in late February 1948, the release of 2.0 million bushels of flaxseed for export.

On November 12th, 1947, the Dominion Government passed Order-in-Council P.C. 4657 which provided that the equalization fee on linseed oil would be established by the Minister of Trade and Commerce and would be determined on the basis of the difference between domestic and export prices for linseed oil.

Vegetable oils and oil cake meals continued in short supply in Canada during the greater part of 1947-48. It was therefore considered advisable by the responsible Government authorities to utilize flaxseed for the maximum production of oil and meal and for securing other kinds of vegetable oils required in this country. This policy meant a greater control of exports of flaxseed during the period of high export demand than had been contemplated earlier and for this reason it was decided that the fixed price paid to producers should be increased. Accordingly, under authority of Order-in-Council P.C. 8209 of February 26th, 1948 the Dominion Government increased the fixed price from \$5.00 per bushel to \$5.50 per bushel for No. 1 Canada Western Flaxseed in store Fort William and Port Arthur and for No. 1 Canada Eastern Flaxseed in store Montreal. The increased price was retroactive to August 1st, 1947. The domestic ceiling of \$5.00 per bushel was retained when the fixed price to producers was increased.

When a substantial quantity of flaxseed was released for sale outside of Canada, access to export markets was complicated by the continued allocations of flaxseed and linseed oil by the International Emergency Food Committee. Also, in late April, the United States placed an embargo on imports of flaxseed from Canada.

The Board purchases of flaxseed during 1947-48 amounted to 10,934,895-53 bushels. By July 31st, 1948, 9,287,342-30 bushels had been disposed of in domestic and export markets, leaving 1,647,553-43 bushels on hand as at July 31st. The Board's deficit as at July 31st, 1948 amounted to \$4,355,896.42. The final deficit on the 1947-48 flaxseed account will be paid by the Dominion Government in accordance with Order-in-Council P.C. 3038.

3. Rapeseed and Sunflower Seed

The Board acted as agent of the Commodity Prices Stabilization Corporation Limited in the handling of rapeseed and sunflower seed. The Corporation instructed the Board to buy rapeseed and sunflower seed offered by producers at 6 cents per pound, in each case, for top grades f.o.b. receiving points to be named by the Board. At the same time the Corporation instructed the Board to sell rapeseed and sunflower seed so acquired to buyers named by the Oils and Fats Administrator at prices in accordance with Wartime Prices and Trade Board Order No. 751, delivered f.o.b. the buyers' receiving point. The Board purchased from producers 17,255,098 pounds of rapeseed and 13,558,740 pounds of sunflower seed which were subsequently sold in accordance with the instructions received from the Commodity Prices Stabilization Corporation Limited. The Board's expenditures for freight, storage, handling, cleaning, interest and administrative costs amounted to \$156,878.19 which were paid by the Commodity Prices Stabilization Corporation.

4. Drawback on Wheat Products

From August 1st, 1947 to September 13th, 1947 the drawback paid to millers was the difference between 77 $\frac{3}{8}$ cents per bushel and the Board's domestic selling price of \$1.58 $\frac{1}{2}$

per bushel, both prices basis No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver. On September 14th, 1947, the Dominion Government discontinued the drawback paid on flour and wheat products milled or processed for consumption in Canada from western wheat.

From August 1st, 1947, to September 13th, 1947, drawback payments were \$5,818,969.93 which amount, along with the Board's administrative costs, were charged against appropriations received from the Dominion Government.

5. Ontario Winter Wheat

On June 26th, 1947, the Dominion Government announced that effective July 1st, 1947, the maximum price of Ontario Winter Wheat would be increased from \$1.26 to \$1.55 per bushel, Montreal basis, and that appropriate adjustments would be made in maximum prices applicable to products of Ontario Winter Wheat. It was further announced that in addition to the increased price authorized by the new ceiling, producers would receive at the time of delivery a wheat payment of 8 cents per bushel. The Dominion Government authorized this wheat payment in lieu of a year-end distribution of the equalization fee collected on Ontario Winter Wheat and products thereof.

This policy remained in effect until June 18th, 1948, when the Dominion Government announced the immediate removal of the maximum price of \$1.55 per bushel on Ontario Winter Wheat and the discontinuance of the wheat payment of 8 cents per bushel as at the close of business on June 17th, 1948.

On June 30th, the Dominion Government announced that export control on Ontario Winter Wheat and Ontario Winter Wheat Flour would cease as at the close of business June 30th, 1948, and that equalization fees would not be assessed on exports although export permits would still be required.

The wheat payments during 1947-48 amounted to \$341,982.34 and the Board collected \$453,523.78 in equalization fees. The Dominion Government will reimburse the Board for the amount of wheat payments plus all administrative and other costs. The proceeds of the equalization fees less administrative and other costs will be paid to the Dominion Government.

6. Crown Wheat

The Crown Wheat operation was completed by receipt of \$5,641,319.48 from the Dominion Government on April 30th, 1948. This payment represented the balance of the Crown Wheat deficit.

PART III FINANCIAL STATEMENTS

The financial statements of The Canadian Wheat Board for the fiscal year ended July 31st, 1948, are presented in Part III of this Report and consist of a Consolidated Balance Sheet (Exhibit I), which sets forth the financial position of the Board as at the foregoing date, together with other statements showing the results of Board operations at the close of the fiscal period, all as tabulated in the Index preceding the financial statements and as discussed in Parts I and II of this Report.

CONSOLIDATED BALANCE SHEET

The consolidated financial position of The Canadian Wheat Board as at July 31st, 1948, is set forth in Exhibit I, and the details of the component items which appear on the Consolidated Balance Sheet are tabulated in Exhibits II and III.

In respect to some of the items appearing on the Consolidated Balance Sheet, the following comments are submitted:

Dominion of Canada 5/8% Treasury Notes, at cost

During the year under review the Board, on the advice of its Investment Committee appointed under the Act, sold its holdings of Dominion of Canada 3% bonds and re-invested the proceeds in Dominion of Canada 5/8% Treasury Notes. The sale of its bond holdings resulted in a capital loss to the Board of \$201,500.00, but this amount was more than off-set by the increase in interest income earned by the Board on bond investments as compared to the interest income which could have been earned through the chartered banks. The following table shows in summary form the results of bond purchases and sales by the Board and the increase in interest earnings attributable to bond investments:

Bond purchases:

Par Value.....	\$75,000,000.00	
Premium.....	2,615,875.00	\$77,615,875.00

Bond sales:

Par Value.....	\$75,000,000.00	
Premium.....	2,414,375.00	77,414,375.00

Net loss on purchases and sales of bonds.....		\$ 201,500.00
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Interest income earned on bond investments.....		\$ 4,239,678.07
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Deduct: Interest earnings if funds invested in

bonds had been allowed to remain on deposit with the chartered banks.....	\$ 374,115.39	
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Loss on bond purchases and sales.....	201,500.00	575,615.39
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Net increase in Board earnings resulting from bond investments.....		\$ 3,664,062.68
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Total purchases by the Board of Dominion of Canada $\frac{5}{8}\%$ Treasury Notes amounted to \$120,000,000.00 for the 1947-48 fiscal year, from funds provided through the sale of its bond holdings and from surplus funds on hand in excess of normal operating requirements. As at July 31st, 1948, these holdings had been reduced to \$50,000,000.00 by sales of Treasury Notes, to provide additional funds for Board operations chiefly in respect to the issuance of an adjustment payment to producers of 20 cents per bushel on wheat delivered on the 1945-49 Pool Account for the period from August 1st, 1945 to March 31st, 1948.

Stocks of Cash Grain, etc.

Wheat Stocks

As at July 31st, 1948, stocks of wheat held by the Board totalled 25,652,048-01 bushels, comprising stocks in store country elevators, in store terminal elevators and mills, in transit and in the custody of Agents. The inventory of wheat stocks has been valued basis \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver.

Stocks in the custody of Agents represent wheat sold provisionally to Agents of the Board for which the Board has yet to receive a final accounting in respect to the ultimate disposition of these stocks.

The Board receives an advance from its Agents for wheat sold on a provisional basis, and as at July 31st, 1948, this advance was basis \$1.55 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, plus an allowance of $3\frac{1}{2}$ cents per bushel for carrying charges. Advances so received amounted to \$1,173,432.56 as at July 31st, 1948, and this item is shown as a liability on the Consolidated Balance Sheet. Effective August 1st, 1948, the advance receivable by the Board from its Agents on provisional sales was increased to a basis of \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, plus an allowance of 5 cents per bushel for carrying charges.

Flaxseed Stocks

Unsold stocks of flaxseed held by the Board as at July 31st, 1948, amounted to 1,647,553-43 bushels, comprising flaxseed in store country and terminal elevators and in transit. The inventory valuation has been determined on the basis of actual sales prices received on flaxseed stocks sold during the period from August 1st, 1948 to December 31st, 1948, and the remaining

stocks unsold as at the latter date have been valued at support prices basis \$4.00 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur.

Accounts Receivable

This item consists principally of the following:

- (a) Amounts due from Agents of the Board in respect to sales which had been completed but for which the final accounting had not been received.
- (b) Amounts due to the Board to adjust wheat stocks on hand July 31st, 1948, and controlled by the Board, to the higher level at which wheat would be sold on the domestic market commencing August 1st, 1948.
- (c) Amounts due from the United Kingdom Government for additional freight costs in accordance with an arrangement entered into under the provisions of the Canada-United Kingdom Wheat Agreement.

Grain Trade Memberships

The Board owns memberships in the Winnipeg Grain Exchange, the Vancouver Grain Exchange, the Winnipeg Grain and Produce Exchange Clearing Association Limited, and the Lake Shippers' Clearance Association. These memberships are stated at cost less recorded dividends received to July 31st, 1948.

The Canadian Wheat Board Building

Under the authority of Order-in-Council P.C. 146/2800 the Board was authorized to purchase the premises known as the Wheat Pool Building and the Stock Exchange Building situated at 423 Main Street and 407 Main Street, respectively, in the City of Winnipeg. In accordance with the provisions of this Order-in-Council the Board effected this purchase as at August 31st, 1946, from the Royal Exchange Building Corporation at a cost of \$450,000.00 for the land and buildings. During the year under review the buildings were renamed and the entire property is now known as "The Canadian Wheat Board Building". In this way confusion with the name of the new premises purchased by the Wheat Pools was avoided. The change in the names of the buildings has been duly registered with the City of Winnipeg. Depreciation has been provided on the buildings for the year ended July 31st, 1948, at the rate of 2% per annum, in the amount of \$7,800.00.

Due from the Dominion of Canada

Details of the amount due from the Dominion of Canada are set forth in Exhibit VI and consist of the following:

Expenses incurred by the Board in the administration of Delivery Quotas and Permit Regulations, etc. for the year ended July 31st, 1948	\$ 125,533.06
Net amount due, including interest to July 31st, 1948, on special operations undertaken by the Board on behalf of the Dominion Government for the period from August 1st, 1946 to July 31st, 1948.....	3,830,048.06
Expenditures applicable to the marketing of domestic wheat for the period from August 1st, 1946 to February 17th, 1947, both dates inclusive, in accordance with the provisions of Section 18 (3) of Order-in-Council P.C. 3222 dated July 30th, 1946.....	1,191,920.11
	<u>\$5,147,501.23</u>

The amount due from the Dominion of Canada will be paid to the Board during the 1948-49 fiscal year.

Liability to Agents

Grain companies acting as Agents of the Board accept deliveries from producers at country elevators and on behalf of the Board settle with the producers basis the Board fixed initial price in effect. Settlement is not made by the Board for these purchases until delivery to the Board is completed by its Agents. The liability to Agents, \$35,815,797.77, represents the amount due by the Board to its Agents for purchases from producers at country points to July 31st, 1948, for which delivery will be made to and settlement will be made by the Board subsequent to the date of the Balance Sheet.

Amounts Due to Producers

Included in the amounts shown on the Consolidated Balance Sheet as due to producers are \$8,719,428.78 and \$32,998,114.96 being, respectively, the surplus to July 31st, 1948, on the 1947 Oats and Barley Equalization Funds and the balance due on Wheat Adjustment Payments in respect to producers' deliveries to the Board for the period from August 1st, 1945 to March 31st, 1948. After deducting necessary expenses, the surplus on 1947 Oats and Barley Equalization Funds will be distributed to producers during the 1948-49 fiscal year.

Since August 1st, 1945, there have been two Wheat Adjustment Payments authorized in respect to producers' deliveries on the Pool Account, as follows:

1. An Adjustment Payment of 10 cents per bushel applicable to deliveries by producers on the 1945-49 Pool Account for the period from August 1st, 1945 to July 31st, 1946, as authorized by Order-in-Council P.C. 3222 of July 30th, 1946.
2. An Adjustment Payment of 20 cents per bushel applicable to deliveries by producers on the 1945-49 Pool Account for the period from August 1st, 1945 to March 31st, 1948, as authorized by Order-in-Council P.C. 1289 of March 25th, 1948.

In respect to the foregoing payments, the Board still had to disburse as at July 31st, 1948, the sum of \$32,998,114.96. Of this amount a total of \$23,243,349.07 has been paid by the Board during the period from the Balance Sheet date to January 31st, 1949.

Drawback Account

The balance of drawback appropriations, in the amount of \$1,711,478.54, represents the net balance of funds held by the Board for account of the Dominion of Canada for the purpose of completing drawback payments to millers and processors to September 13th, 1947. As at July 31st, 1948, the balance of the appropriations consisted of the following:

Drawback funds.....	\$1,744,669.29
Less: Amount due to the 1945-49 Pool Account.....	33,190.75
	<u>\$1,711,478.54</u>

"Drawback funds", as shown above, are included with all other Board funds in the item "Funds on Deposit", as shown in the Consolidated Balance Sheet. The amount due to the 1945-49 Pool Account will be paid from drawback funds in the ensuing fiscal year.

Accrued Expenses and Accounts Payable

This item consists principally of amounts due to the Board of Grain Commissioners for Canada in respect to the Prairie Farm Assistance Act levy on the 20 cent per bushel Wheat Adjustment Payment to producers applicable to deliveries on the 1945-49 Pool Account. The amount due to the Board of Grain Commissioners for Canada totals \$1,557,946.85, and of this amount \$1,144,846.45 has been paid by The Canadian Wheat Board subsequent to the Balance Sheet date.

The balance of Accrued Expenses and Accounts Payable comprises in the main sundry accounts unpaid as at July 31st, 1948, together with accrued carrying charges, storage charges, etc. to that date.

STATEMENTS OF OPERATIONS

1945-49 Pool Account—Western Division

The operations of the Board on the 1945-49 Pool Account, for the period from August 1st, 1945 to July 31st, 1948, resulted in a surplus of \$77,090,896.14 as set forth in Exhibit IV. This surplus has been determined after valuing holdings of wheat basis \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver but without provision for carrying costs, interest, etc. beyond the close of the fiscal year.

As a result of the two increases in the initial price, referred to on Page 17, the Board was directed to pay the sum of 10 cents per bushel to each producer who delivered wheat to the Board for the period from August 1st, 1945 to July 31st, 1946, both dates inclusive, and to pay the sum of 20 cents per bushel to each producer who delivered wheat to the Board during the period from August 1st, 1945 to March 31st, 1948, both dates inclusive. These adjustment payments were necessary in order

to equalize the initial payment to producers on the 1945-49 Pool Account to July 31st, 1948, at the higher level of \$1.55 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. The total amount of these adjustment payments has been included in the determination of the surplus on the 1945-49 Pool Account to July 31st, 1948.

In terms of Order-in-Council P.C. 3376 of July 28th, 1948, the price at which the Board sold wheat to millers, processors, manufacturers, feeders and dealers for domestic requirements in Canada, other than for the production of alcohol, was increased from \$1.55 per bushel, plus an allowance of 3½ cents per bushel for carrying charges, to \$2.00 per bushel, plus an allowance of 5 cents per bushel for carrying charges, both prices basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This new price basis applied to sales completed on and after August 1st, 1948.

As a result of the price increase, millers, processors, manufacturers and dealers were required to pay to the Board an adjustment charge of 46½ cents per bushel on all stocks of Board wheat on hand as at the close of business July 31st, 1948. Amounts receivable by the Board in respect to this price adjustment have been credited to the 1945-49 Pool Account and have been included in the calculation of the surplus as at July 31st, 1948.

Flax Division

The results of operations in connection with flaxseed acquired in terms of Orders-in-Council P.C. 3038 of July 31st, 1947, and P.C. 829 of February 26th, 1948, are set forth in Exhibit VIII, and resulted in a deficit of \$4,355,896.42 for the year ended July 31st, 1948, without provision for carrying costs, interest, etc. beyond the close of the fiscal year.

Order-in-Council P.C. 3038 empowered the Board to purchase flaxseed at \$5.00 per bushel for No. 1 Canada Western Flaxseed basis in store Fort William/Port Arthur or Vancouver, and for No. 1 Canada Eastern Flaxseed basis in store Montreal. Under Order-in-Council P.C. 829 this price basis was increased to \$5.50 per bushel effective as from February

23rd, 1948, and as a result the Board was ordered to pay the sum of 50 cents per bushel to each producer who sold and delivered flaxseed to a dealer during the period from August 1st, 1947 to February 22nd, 1948, both dates inclusive. The deficit on the 1947 Crop Flaxseed Account to July 31st, 1948, includes the total amount payable to producers in respect to the foregoing adjustment payment.

During the year under review marketing operations relevant to flaxseed acquired in terms of Order-in-Council P.C. 3222 of July 30th, 1946 (1946 Flax Account) were completed and resulted in a surplus to July 31st, 1948, of \$30,308.74 as set forth in Exhibit IX. In terms of the same Order-in-Council, this amount is payable to the Consolidated Revenue Fund of the Dominion of Canada. After the application of an amount of \$8,024.18, which was remitted to Ottawa on March 31st, 1948, the balance of the surplus, amounting to \$22,284.56, will be paid to the Dominion of Canada during the 1948-49 fiscal year.

Oats and Barley Division

Under the authority of Order-in-Council P.C. 1891 of May 14th, 1947, the Board continued to levy and collect equalization fees on the exportation of oats and barley during the 1947-48 crop year. Transactions on the 1947 Oats Equalization Fund and the 1947 Barley Equalization Fund resulted in surpluses to July 31st, 1948, of \$4,293,491.00 and \$4,425,937.78, respectively, as set forth in Exhibit X. After deduction of necessary expenses, these surpluses will be distributed to producers during the 1948-49 crop year, in accordance with the provisions of Order-in-Council P.C. 5207 of December 18th, 1947.

Transactions on the 1946 Oats Equalization Fund resulted in a final payment to producers of \$3,762,008.54. Cheques were issued to producers for the total amount of this payment on May 25th, 1948, and as at July 31st, 1948, final payment cheques totalling \$3,396,174.08 had been cashed by producers, as set forth in Exhibit XIV. Expenses estimated and incurred, incident to the issuance of this final payment, are set forth in Exhibit XV. The final deficit on the 1946 Barley Equalization Fund, in the

amount of \$6,753,092.16, as set forth in Exhibit XI, was paid by the Dominion Government on April 30th, 1948.

Order-in-Council P.C. 1292 provided that oats and barley stocks, whole or processed, in commercial channels in Canada as at March 17th, 1947, be vested in the Board. A substantial amount of the oats and barley delivered to the Board under the terms of this Order was delivered under protest, and as at the close of the fiscal year 40,000 bushels of barley still had not been delivered to the Board. An action was commenced by the Board to recover possession of this barley and the documents relating thereto. The action was heard in March, 1948, by the Chief Justice of the Court of King's Bench in Winnipeg, and in his judgment the Board's claim to the barley was dismissed. An appeal from this judgment to the Court of Appeal of Manitoba was dismissed on March 10th, 1949, and at the date of this Report the question of a further appeal is under consideration by law officers of the Board and of the Crown.

Transactions in oats and barley acquired under this Order resulted in a surplus of \$6,732,368.64 to July 31st, 1948, as set forth in Exhibit XII. In terms of the Order, this surplus is payable to the Consolidated Revenue Fund of the Dominion of Canada, and an amount of \$6,324,789.99 was remitted to Ottawa on March 31st, 1948. Subject to interest and minor adjustments beyond the close of the fiscal year, the balance of the surplus, amounting to \$407,578.65, will be paid to the Dominion of Canada as required by the Order.

Drawback Account

In accordance with the provisions of various Orders-in-Council issued by the Dominion Government, the Board was charged with the administration of drawback payments to flour millers and processors. In terms of Order-in-Council P.C. 4145 of October 17th, 1947, these payments were discontinued effective as at midnight September 13th, 1947, but as at July 31st, 1948, there were a number of transactions on Drawback Account still to be finalized. The results of drawback operations for the period from August 1st, 1942 to July 31st, 1948, are

set forth in Exhibit XIII. The amounts shown as "Refund of Excess Profits" represent the recorded receipts from the Commodity Prices Stabilization Corporation Limited to July 31st, 1948.

1947 Ontario Wheat Payment

During the year under review the Board continued to levy and collect equalization fees on the exportation of Ontario wheat or wheat products. In accordance with the provisions of Order-in-Council P.C. 3038 of July 31st, 1947, the Board was directed to make a wheat payment of 8 cents per bushel to producers who sold and delivered Ontario wheat to a dealer during the 1947-48 crop year, but effective as from June 18th, 1948, these regulations were rescinded, by Order-in-Council P.C. 2705 of June 17th, 1948.

The operations of the Board in respect to the collection of equalization fees and the disbursement of wheat payments to producers resulted in a surplus of \$95,985.15, as set forth in Exhibit V. Subject to interest and minor adjustments beyond the close of the fiscal year, this amount will be paid to the Dominion of Canada during the 1948-49 fiscal year.

Schedule of Administrative and General Expenses

The total expenditures under this heading, for the year under review, amounted to \$1,909,338.42 comprising expenses incurred at the Winnipeg, Calgary, Vancouver, Toronto, Washington (United States) and London (England) offices of the Board. Details of the allocations of these expenditures to Board operations and to operations conducted by the Board on behalf of the Dominion Government are set forth in Exhibit XVI.

In this Report and in the financial statements which follow, we have endeavoured to describe the administration of wheat policy and special operations on behalf of the Dominion Government.

In conclusion we would like to record our appreciation of the loyal and conscientious service rendered by the staff of the Board.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

T. W. GRINDLEY,
Commissioner

Winnipeg, Manitoba
March 15th, 1949.

THE CANADIAN WHEAT BOARD
INDEX TO FINANCIAL STATEMENTS
31st July 1948

- Exhibit I. Consolidated Balance Sheet.*
- Exhibit II. Statement of Assets and Liabilities.*
- Exhibit III. Statement of Assets and Liabilities — Coarse Grains and Drawback Account.*
- Exhibit IV. Statement of Operations, 1945-49 Pool Account, Western Division.*
- Exhibit V. Statement of 1947 Ontario Wheat Payment Account.*
- Exhibit VI. Statement of Amounts due from and due to the Dominion of Canada.*
- Exhibit VII. Statement of Funds remitted to and Funds received from the Dominion of Canada.*
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- Exhibit IX. Statement of Operations, 1946 Crop Account, Flax Division.*
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- Exhibit XV. Statement of Provisions for Final Payment Expenses.*
- Exhibit XVI. Schedule of Administrative and General Expenses and Allocations to Operations for the year ended 31st July 1948.*

THE CANADIAN
CONSOLIDATED
As at 31

ASSETS

Funds on deposit.....		\$ 57,235,914
Dominion of Canada $\frac{5}{8}\%$ Treasury notes, at cost.....	\$50,000,000.00	
Accrued interest thereon.....	<u>130,136.99</u>	50,130,136
Stocks of cash grain, etc. — (In terms of inventories prepared by responsible officials):		
Wheat stocks (valued on the basis of \$2.00 per bushel for One Northern in store Fort William/Port Arthur or Vancouver).....	51,426,441.74	
Wheat sold but not delivered (valued at contract prices).....	6,973,147.15	
Flax stocks (valued basis in store Fort William/Port Arthur at realized sales prices from 1st August to 31st December 1948, and at support prices for stocks unsold as at the latter date).....	<u>6,727,439.47</u>	65,127,027
Accounts receivable.....		2,515,400
Memberships — In the Winnipeg and Vancouver Grain Exchanges, the Winnipeg Grain and Produce Exchange Clearing Association, and the Lake Shippers' Clearance Association.....		13,000
The Canadian Wheat Board Building, at cost less depreciation.....		434,400
Office furniture, equipment and automobiles, at cost less depreciation.....		64,100
Due from the Dominion of Canada.....		<u>5,147,500</u>
		<u>\$180,667,500</u>

Approved:

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

T. W. GRIN,
Commissioner

WHEAT BOARD BALANCE SHEET July 1948

LIABILITIES

Liability to Agents for grain purchased from Producers
but not yet delivered to the Wheat Board:

Wheat	\$30,591,196.34	
Flax	5,224,601.43	\$ 35,815,797.77
	<hr/>	

Accounts due to Producers:

Western Division:

Emergency wheat receipts.....	11,023,551.32	
Balance of final payments on Oats and Barley Equalization Funds	417,264.64	
Balance of 1947 Flaxseed adjustment payment.....	133,185.85	
Balance of 1946 Barley adjustment payment.....	20,502.00	
Surplus on 1947 Oats and Barley Equalization Funds.....	8,719,428.78	

Eastern Division:

Balance of final payments on Ontario Wheat Equalization Funds	6,133.40	20,320,065.99
	<hr/>	

Accounts due to Producers on outstanding certificates and
cheques:

Western Division:

Balance of final payments on 1940 to 1944 Wheat Crop Accounts.....	7,801,555.31	
Balance of wheat adjustment payments on Producers' deliveries from 1st August 1945 to 31st March 1948	32,998,114.96	

Eastern Division:

Balance of final payments on 1939 and 1940 Wheat Crop Accounts.....	4,916.84	40,804,587.11
	<hr/>	

Provisions for final payment expenses.....	1,571,127.75	
Swback Account — balance of appropriations.....	1,711,478.54	
Advances received on Agency wheat stocks.....	1,173,432.56	
Unrecovered expenses and accounts payable.....	2,180,201.98	
Surplus on 1945-49 Pool Account to 31st July 1948.....	77,090,896.14	
	<hr/>	
		\$180,667,587.84
		<hr/>

*This is the Consolidated Balance Sheet which is referred to in our
report of this date.*

Winnipeg, Manitoba,
11 March, 1949

MILLAR, MACDONALD & CO.
Chartered Accountants
Auditors.

THE CANADIAN
STATEMENT OF ASSETS
As at 31

ASSETS

Funds on deposit — General accounts.....
— Emergency wheat receipts.....

Dominion of Canada $\frac{5}{8}$ % Treasury notes.....
Accrued interest thereon.....

Stocks of cash grain, etc.:

Wheat stocks.....
Wheat sold but not delivered.....
Flax stocks.....

Accounts receivable.....

Grain trade memberships.....

The Canadian Wheat Board Building.....

Office furniture, equipment and automobiles.....

Due from the Dominion of Canada — (Exhibit VI).....

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Wheat Board.....

Amounts due to Producers:

Western Division — Emergency wheat receipts — P.C. 1243 and 1890.....
— Balance of final payments on Oats and Barley Equalization Funds —
(Exhibit XIV).....
— Surplus on 1947 Oats and Barley Equalization Funds — (Exhibit X).....
— Balance of 1947 Flaxseed adjustment payment — P.C. 829.....
— Balance of 1946 Barley adjustment payment — P.C. 1292.....

Eastern Division — Balance of final payments on Ontario Wheat Equalization Funds —
(Exhibit XIV).....

Amounts due to Producers on outstanding certificates and cheques:

Western Division — Balance of final payments on 1940 to 1944 Wheat Crop Accounts —
(Exhibit XIV).....
— Balance of wheat adjustment payments on Producers' deliveries from
1st August 1945 to 31st March 1948.....

Eastern Division — Balance of final payments on 1939 and 1940 Wheat Crop Accounts.....

Provisions for final payment expenses — (Exhibit XV).....

Drawback Account — balance of appropriations — (Exhibit XIII).....

Advances received on Agency wheat stocks.....

Accrued expenses and accounts payable.....

Surplus resulting from operations — 1945-49 Pool Account.....

Amounts due to and from other Board Accounts.....

Exhibit II

WHEAT BOARD AND LIABILITIES

July 1948

1945-49 Pool Account	1940 to 1944 Wheat Crops Final Payment Accounts	Coarse Grains and Drawback Account (Exhibit III)	Totals for Consolidated Balance Sheet
\$ 53,689,644.64	\$1,301,394.17	\$ 2,218,400.56	\$ 57,209,439.37
26,475.27			26,475.27
50,000,000.00			50,000,000.00
130,136.99			130,136.99
51,426,441.74			51,426,441.74
6,973,147.15			6,973,147.15
2,479,797.75		6,727,439.47	6,727,439.47
13,096.15		35,611.80	2,515,409.55
434,400.00			13,096.15
64,100.92			434,400.00
1,221,468.02			64,100.92
166,458,708.63	\$1,301,394.17	3,926,033.21	5,147,501.23
		\$12,907,485.04	\$180,667,587.84
30,591,196.34		\$ 5,224,601.43	\$ 35,815,797.77
11,023,551.32			11,023,551.32
8,719,428.78		417,264.64	417,264.64
		133,185.85	8,719,428.78
		20,502.00	133,185.85
6,133.40			20,502.00
			6,133.40
	\$7,801,555.31		7,801,555.31
32,998,114.96			32,998,114.96
4,916.84			4,916.84
1,029.82	1,377,377.48	192,720.45	1,571,127.75
1,173,432.56		1,711,478.54	1,711,478.54
2,078,862.35	6,140.82		1,173,432.56
77,090,896.14		95,198.81	2,180,201.98
2,771,146.12	(7,883,679.44)		77,090,896.14
66,458,708.63	\$1,301,394.17	5,112,533.32	—
		\$12,907,485.04	\$180,667,587.84

THE CANADIAN
STATEMENT OF ASSETS
COARSE GRAINS AND
As at 31

ASSETS

Funds on deposit.....
Stocks of flax on hand.....
Accounts receivable.....
Due from the Dominion of Canada — (Exhibit VI).....

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Wheat Board.....
Amounts due to Producers:
 Balance of final payments on Oats and Barley Equalization Funds — (Exhibit XIV).....
 Balance of 1947 Flaxseed adjustment payment — P.C. 829.....
 Balance of 1946 Barley adjustment payment — P.C. 1292.....
Provisions for final payment expenses — (Exhibit XV)
Drawback Account — balance of appropriations — (Exhibit XIII).....
Accrued expenses and accounts payable.....
Amounts due to other Board accounts.....

HEAT BOARD
AND LIABILITIES
DRAWBACK ACCOUNT
July 1948

<u>Flax Division</u>	<u>Oats and Barley Division</u>	<u>Drawback Account</u>	<u>Total</u>
139,516.35	\$334,214.92	\$1,744,669.29	\$ 2,218,400.56
6,727,439.47			6,727,439.47
35,611.80			35,611.80
<u>4,333,611.86</u>	<u>(407,578.65)</u>		<u>3,926,033.21</u>
<u>1,236,179.48</u>	<u>(\$ 73,363.73)</u>	<u>\$1,744,669.29</u>	<u>\$12,907,485.04</u>
5,224,601.43			\$ 5,224,601.43
	\$417,264.64		417,264.64
133,185.85			133,185.85
	20,502.00		20,502.00
	192,720.45		192,720.45
		\$1,711,478.54	1,711,478.54
92,169.84	3,028.97		95,198.81
<u>5,786,222.36</u>	<u>(706,879.79)</u>	<u>33,190.75</u>	<u>5,112,533.32</u>
<u>1,236,179.48</u>	<u>(\$ 73,363.73)</u>	<u>\$1,744,669.29</u>	<u>\$12,907,485.04</u>

THE CANADIAN
1945-49 Pool Account
STATEMENT
For the period from 1st August

Wheat acquired:

Delivered or to be delivered by Agents on behalf of Producers at Board initial fixed prices basis \$1.55 per bushel for One Northern in store Fort William/Port Arthur or Vancouver

Purchases of overages at terminal and country elevators, salvage wheat, and wheat produced in non-designated areas, etc., at prevailing Board fixed prices

Wheat sold:

Completed sales at realized prices, basis in store Fort William/Port Arthur or Vancouver:
Domestic

Export sales at Class II prices

United Kingdom Government, Wheat Agreement for 1946-47 and 1947-48

Uncompleted sales at contract prices

Weight losses in transit and in drying and reconditioning

Add: Additional differential charges, storage and interest, etc., recovered

Net proceeds from sales

Stocks of wheat, valued on the basis of \$2.00 per bushel for One Northern in store Fort William/Port Arthur or Vancouver:

On hand

In the custody of Agents

Surplus on cash wheat transactions

Deduct: Funds transferred to the 1944 Crop Account under authority of Order-in-Council P.C. 4869 of 26th November 1946, so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts

Deduct: Carrying costs, interest, administrative and general expenses, etc.

Carrying charges:

Carrying charges on wheat stored in country elevators

Storage on wheat stored in terminal elevators and mills

Interest and bank charges (net of loss on sale of Bonds)

Net additional freight on wheat shipped to Fort William/Port Arthur from points tributary to Vancouver

Handling, stop-off and diversion charges on wheat warehoused at interior terminals

Drying, reconditioning charges, grade adjustments, etc.

Administrative and general expenses to 31st July 1947

Add: Proportion of administrative and general expenses for the year ended 31st July 1948

Surplus on operations

Deduct: Additional costs re adjustment payments:

Commissions and exchange, etc., paid to banks, payors and Agents

Proportion of administrative and general expenses

Surplus on operations of the Board on 1945-49 Pool Account, Western Division, for the period from 1st August 1945 to 31st July 1948

HEAT BOARD
Western Division
OPERATIONS
1945 to 31st July 1948

Bushels		Amount	
4,532,246-05		\$1,229,657,055.87	
<u>7,396,499-53</u>	<u>821,928,745-58</u>	<u>9,007,075.97</u>	\$1,238,664,131.84
	153,144,745-22	216,922,453.24	
	302,746,622-01	550,262,006.08	
4,940,047-34		\$507,065,882.88	
<u>4,633,431-50</u>	339,573,479-24	<u>6,973,147.15</u>	514,039,030.03
	811,851-10		
		<u>21,450,648.99</u>	
	<u>796,276,697-57</u>	<u>1,302,674,138.34</u>	
4,885,937-15		49,937,245.36	
<u>766,110-46</u>	<u>25,652,048-01</u>	<u>1,489,196.38</u>	51,426,441.74
	<u>821,928,745-58</u>		1,354,100,580.08
			115,436,448.24
			<u>12,000,000.00</u>
			103,436,448.24
	19,540,473.05		
	<u>3,384,447.55</u>	22,924,920.60	
		(1,169,531.56)	
		34,948.11	
		120,191.32	
		1,118,414.50	
	1,469,458.71		
	<u>1,105,166.96</u>	<u>2,574,625.67</u>	25,603,568.64
			77,832,879.60
		305,882.28	
		<u>436,101.18</u>	<u>741,983.46</u>
			<u>\$ 77,090,896.14</u>

Exhibit V

THE CANADIAN WHEAT BOARD
STATEMENT OF 1947 ONTARIO WHEAT
PAYMENT ACCOUNT

P.C. 3038 and 2705

For the period from 1st July 1947 to 31st July 1948

Equalization fees collected.....	\$453,523.78	
Interest allowed on fees collected.....	<u>3,928.94</u>	\$457,452.72
 Deduct: Wheat payments to Producers.....	 341,982.34	
Commission allowed to Agents re the above payments	 1,710.57	
Interest charged on expenditures.....	8,519.03	
Administrative and general expenses.....	<u>9,255.63</u>	<u>361,467.57</u>
 Surplus on 1947 Ontario Wheat Payment Account, as at 31st July 1948.....		 <u><u>\$ 95,985.15</u></u>

THE CANADIAN WHEAT BOARD
STATEMENT OF AMOUNTS DUE FROM AND DUE TO
THE DOMINION OF CANADA
As at 31st July 1948

Due from the Dominion of Canada:

1947 Crop Account, Flax Division:

Deficit resulting from operations for the year ended 31st July 1948 — (Exhibit VIII)	\$4,355,896.42
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Administrative and general expenses re delivery quotas and permit regulations, etc.....	125,533.06
--	------------

Disbursements incidental to the marketing of domestic wheat during the period 1st August 1946 to 17th February 1947 pursuant to Section 18 (3) of Order-in-Council P.C. 3222 dated 30th July 1946.....	1,191,920.11
--	--------------

5,673,349.59

Due to the Dominion of Canada:

1947 Ontario Wheat Payment Account:

Surplus resulting from operations for the year ended 31st July 1948 — (Exhibit V)	\$ 95,985.15
--	--------------

1946 Crop Account, Flax Division:

Balance of surplus resulting from operations for the period 1st August 1946 to 31st July 1948 — (Exhibit IX)	22,284.56
--	-----------

Oats and Barley Account — P.C. 1292:

Balance of surplus — (Exhibit XII)	407,578.65	525,848.36
		<u>\$5,147,501.23</u>

THE CANADIAN
STATEMENT OF FUNDS REMITTED
TO
THE DOMINION OF
CANADA
During the year ended

P.C. Number

Funds remitted to the Dominion of Canada:

Surpluses:

1946 Crop Flax Account.....	3222
1943 Crop Flax Account.....	7325
1946 Oats Account.....	1292
1946 Barley Account.....	1292

Total payments to the Dominion of Canada.....

Funds received from the Dominion of Canada:

Deficits:

Crown Wheat Account.....	7942, 111
1946 Ontario Wheat Payments Account.....	3212
1945 Crop Flax Account.....	2550
1944 Crop Flax Account.....	1350
1946 Barley Equalization Fund.....	3222, 129
1945 Oats and Barley Equalization Funds.....	2550, 623
1944 Oats Equalization Fund.....	5998
1943 Barley Equalization Fund.....	4450
1946 Crop Seeds Account.....	3222
1945, 1944 and 1943 Crop Seed Accounts.....	859, 4131, 2

Administrative and general expenses applicable to
delivery quotas and permit regulations, etc.....

Total receipts from the Dominion of Canada

WHEAT BOARD

DEBTS AND FUNDS RECEIVED FROM

GOVERNMENT OF CANADA

to 31st July 1948

Reference to Wheat Board Report 1946 - 1947		Interest from 31st July 1947 to Date Paid		
Exhibit	Amount	Date	Amount	Total
		1948		
	\$ 7,865.88	31st March	\$ 158.30	\$ 8,024.18
I	7,496.29	31st March	150.88	7,647.17
V	3,000,000.00	31st March	60,382.27	3,060,382.27
V	3,200,000.00	31st March	64,407.72	3,264,407.72
	<u>\$ 6,215,362.17</u>		<u>\$125,099.17</u>	<u>\$ 6,340,461.34</u>
		1948		
	\$ 5,516,449.58	30th April	\$124,869.90	\$ 5,641,319.48
I	309,025.52	30th April	6,995.08	316,020.60
	2,537,433.04	30th April	57,437.11	2,594,870.15
	1,028,188.53	30th April	23,274.00	1,051,462.53
	6,603,613.30	30th April	149,478.86	6,753,092.16
I	14,590,861.34	30th April	330,277.55	14,921,138.89
II	4,330.71	30th April	98.03	4,428.74
III	528.84	30th April	11.97	540.81
K	77,604.07	30th April	1,756.63	79,360.70
	86,309.86	30th April	1,953.72	88,263.58
	<u>30,754,344.79</u>		<u>696,152.85</u>	<u>31,450,497.64</u>
	<u>718,725.81</u>	1st April	<u>14,524.00</u>	<u>733,249.81</u>
	<u>\$31,473,070.60</u>		<u>\$710,676.85</u>	<u>\$32,183,747.45</u>

THE CANADIAN
1947 Crop Account, Flax Division
STATEMENT OF EXPENSES
For the year ended 31st July 1948

Flax acquired:

Delivered or to be delivered at Board fixed prices basis in store Fort William/Port Arthur,
Vancouver or Montreal.....
Purchased from 1946 Crop Account at Board fixed prices 31st July 1948, basis in store
Fort William/Port Arthur.....

Flax sold:

Completed sales at realized prices basis in store Fort William/Port Arthur, Vancouver or
Montreal
Flax stocks (valued basis in store Fort William/Port Arthur at realized sales prices from 1st
August to 31st December 1948, and at support prices for stocks unsold as at the latter date)

Deficit on cash flax transactions.....

Add: Carrying costs, interest, administrative and general expenses, etc.

Carrying charges:

Carrying charges on flax stored in country elevators.....

Storage on flax stored in terminal elevators.....

Interest and bank charges.....

Handling and stop-off charges, etc.....

Drying and reconditioning charges.....

Administrative and general expenses to 31st July 1948.....

Deficit on operations.....

Add: Costs re Fifty Cent adjustment payment:

Commissions and exchange, etc.....

Administrative and general expenses to 31st July 1948.....

Deficit from the operations of the Wheat Board on 1947 Crop Account, Flax Division,
for the year ended 31st July 1948.....

HEAT BOARD
 Division—P.C. 3038 and 829
 OPERATIONS
 1st July 1948

Bushels		Amount	
929,892-46		\$59,723,130.71	
5,003-07	10,934,895-53	22,789.24	\$59,745,919.95
287,342-10		49,619,261.03	
647,553-43	10,934,895-53	6,727,439.47	56,346,700.50
			3,399,219.45
	\$356,771.50		
	226,653.10	583,424.60	
		295,298.52	
		15,072.95	
		2,634.42	
		40,750.46	937,180.95
			4,336,400.40
		11,413.70	
		8,082.32	19,496.02
			\$ 4,355,896.42

THE CANADIAN
1946 Crop Account
STATEMENT OF
For the period from 1st August 1946 to 31st July 1948

Flax acquired:

Delivered at Board fixed prices basis in store Fort William/Port Arthur or Montreal.....
Purchased from 1945 Crop Account at Board fixed prices 31st July 1947, basis in store Fort
William/Port Arthur or Montreal.....

Flax sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Montreal.....

Surplus on cash flax transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc.

Carrying charges:

Carrying charges on flax stored in country elevators.....

Storage on flax stored in terminal elevators.....

Interest and bank charges.....

Handling and stop-off charges.....

Drying, reconditioning charges, etc.....

Administrative and general expenses to 31st July 1947.....

Add: Proportion of administrative and general expenses for the year ended
31st July 1948.....

Surplus from the operations of the Wheat Board on 1946 Crop Account, Flax Division, for
the period from 1st August 1946 to 31st July 1948.....

Note: In respect of the surplus shown above, The Canadian Wheat Board paid \$8,024.18 to
the Dominion of Canada on 31st March 1948.

HEAT BOARD
x Division—P.C. 3222
PERATIONS
46 to 31st July 1948

Bushels		Amount	
887,080-13		\$15,762,676.36	
<u>18,090-07</u>	<u>4,905,170-20</u>	<u>50,194.53</u>	\$15,812,870.89
	<u>4,905,170-20</u>		<u>16,125,434.27</u>
			312,563.38
	\$132,880.46		
	<u>55,406.47</u>	188,286.93	
		66,611.74	
		2,663.23	
		520.56	
	22,200.49		
	<u>1,971.69</u>	<u>24,172.18</u>	<u>282,254.64</u>
			<u>\$ 30,308.74</u>

Exhibit X

THE CANADIAN WHEAT BOARD
 STATEMENT OF 1947 OATS AND BARLEY
 EQUALIZATION FUNDS — P.C. 1891 and 5207
 For the year ended 31st July 1948

	Oats Equalization Fund	Barley Equalization Fund	Total
Equalization fees collected.....	\$4,278,733.12	\$4,421,267.02	\$8,700,000.14
Interest credited on surplus funds.....	22,853.20	10,836.95	33,690.15
	<u>4,301,586.32</u>	<u>4,432,103.97</u>	<u>8,733,690.29</u>
Deduct: Bank charges.....	10.08	1.47	11.55
Commission paid to Agent.....	1,250.00	1,250.00	2,500.00
Administrative and general expenses	6,835.24	4,914.72	11,749.96
	<u>8,095.32</u>	<u>6,166.19</u>	<u>14,261.51</u>
Payable to Producers:			
Surplus on Oats and Barley Equalization Funds, as at 31st July 1948.....	<u>\$4,293,491.00</u>	<u>\$4,425,937.78</u>	<u>\$8,719,428.78</u>

Bushel summary:

	Bushels	
	Oats	Barley
Number of bushels on which equalization fees were collected.....	<u>12,372,002</u>	<u>6,881,998</u>

THE CANADIAN WHEAT BOARD
STATEMENT OF 1946 OATS AND BARLEY
EQUALIZATION FUNDS—P.C. 3222 and 1292
For the period from 1st August 1946 to 31st July 1948

	Oats Equalization Fund	Barley Equalization Fund
Equalization fees collected.....	\$10,971,544.46	\$ 6,776,841.94
Interest credited on surplus funds.....	151,084.41	(148,446.14)
	<u>11,122,628.87</u>	<u>6,628,395.80</u>
Deduct: Advance equalization payments to Producers.....	7,227,341.55	7,958,894.46
Interest and commission paid to Agents re the above payments.....	34,687.93	37,275.19
Barley adjustment payment to Producers.....	—	5,305,206.90
Exchange and commission paid to banks and Agents re barley adjustment payment.....	—	26,697.14
Commission paid to Agent.....	700.00	500.00
Administrative and general expenses:		
For the year ended 31st July 1947.....	42,795.55	42,554.20
For the year ended 31st July 1948.....	—	7,484.38
Provision for the expenses of issuing final payments to producers and other expenses.....	55,095.30	2,875.69
	<u>7,360,620.33</u>	<u>13,381,487.96</u>
Surplus on Oats Equalization Fund payable to Pro- ducers as at 29th February 1948.....	<u>\$ 3,762,008.54</u>	
Deficit on Barley Equalization Fund received from the Dominion of Canada on 30th April 1948.....		<u>\$ 6,753,092.16</u>

Bushel summary:

	Oats	Barley
Number of bushels on which equalization fees were collected	<u>32,579,280</u>	<u>8,495,873</u>
Number of bushels on which advance equalization payments were made to Producers.....	<u>72,273,433</u>	<u>53,059,964</u>

THE CANADIAN
Oats and Barley
STATEMENT
For the period from inception

Oats and Barley acquired:

Purchases at closing market prices 17th March 1947, basis in store Fort William/Port Arthur or Vancouver:

Country elevator stocks.....

Terminal stocks.....

Whole, processed and seed oats and barley in the custody of mills, maltsters and dealers, etc.....

Oats and Barley sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver.....

Surplus on cash oats and barley transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc.

Carrying charges on oats and barley stored in country elevators.....

Storage and handling charges on oats and barley stored in terminal elevators, warehouses and mills.....

Interest and bank charges.....

Administrative and general expenses to 31st July 1947.....

Add: Proportion of administrative and general expenses for the year ended 31st July 1948.....

Surplus from the operations of the Wheat Board on Oats and Barley Account — P.C. 1292, for the period from inception (18th March 1947) to 31st July 1948.....

Note: In respect of the surplus shown above, The Canadian Wheat Board paid \$6,324,789.99 to the Dominion of Canada on 31st March 1948.

HEAT BOARD
 count — P.C. 1292
 OPERATIONS
 (March 1947) to 31st July 1948

B u s h e l s		A m o u n t		
Oats	Barley	Oats	Barley	Total
016,776-20	7,749,560-39	\$ 7,733,640.46	\$ 5,017,841.36	\$12,751,481.82
327,726-01	4,358,101-17	5,319,472.46	2,912,373.95	8,231,846.41
524,433-12	8,884,661-47	2,330,082.08	5,871,451.11	8,201,533.19
868,935-33	20,992,324-07	\$15,383,195.00	\$13,801,666.42	29,184,861.42
868,935-33	20,992,324-07	\$18,692,606.62	\$17,428,990.44	36,121,597.06
				6,936,735.64
			\$ 135,530.09	
			171,729.89	
			(166,935.94)	
		\$ 58,150.42		
		5,892.54	64,042.96	204,367.00
				\$ 6,732,368.64

THE CANADIAN
STATEMENT OF
For the period from 1st August

	1947 Drawback Account P.C. 1736 P.C. 4145	1946 Drawback Account P.C. 3922 P.C. 1736
Appropriations received from the Receiver General of Canada	\$8,500,000.00	\$28,500,000.
Deduct: Drawback paid to millers and processors of wheat products.....	5,858,091.22	32,030,988.
Drawback payments recovered from purchasers other than processors.....	(39,121.29)	(752,707.
Refund of excess profits received from the Commodity Prices Stabilization Corporation Limited	—	(1,448,269.
	<u>5,818,969.93</u>	<u>29,830,012.</u>
Balances, after net payments to millers and processors.....	2,681,030.07	(1,330,012.
Deduct: Proportion of administrative and general ex- penses for the fiscal year ended 31st July 1948, 1947, 1946, 1945, 1944 and 1943.....	33,103.56	45,218.
Balances of appropriations.....	<u>\$2,647,926.51</u>	<u>(\$ 1,375,230.</u>
Add: Interest earned on funds in banks, less interest expense and bank charges.....		
Deduct: Payments from Drawback funds for additional freight on shipments of wheat from country points to mills for domestic flour requirements — P.C. 5144.....		
Balance of appropriations and net interest earned, as at 31st July 1948.....		
Represented by:		
Funds on deposit in banks.....	\$1,744,669.29	
Amount due to 1945-49 Pool Account....	33,190.75	
	<u>\$1,711,478.54</u>	

HEAT BOARD
DRAWBACK ACCOUNT
1942 to 31st July 1948

<u>1945 Drawback Account P.C. 5768</u>	<u>1944 Drawback Account P.C. 7319</u>	<u>1943 Drawback Account P.C. 6602 P.C. 7323</u>	<u>1942 Drawback Account P.C. 9457 P.C. 3438</u>	<u>Total</u>
4,750,000.00	\$21,700,000.00	\$20,000,000.00	\$7,500,000.00	\$100,950,000.00
23,164,355.77	20,647,721.34	21,679,107.86	6,725,902.87	110,106,167.60
442,077.14)	(158,213.89)	(80,796.86)	(9,371.27)	(1,482,287.71)
1,793,189.24)	(2,519,031.24)	(4,159,580.14)	—	(9,920,069.75)
0,929,089.39	17,970,476.21	17,438,730.86	6,716,531.60	98,703,810.14
6,179,089.39)	3,729,523.79	2,561,269.14	783,468.40	2,246,189.86
39,121.38	34,537.03	35,286.64	35,705.84	222,972.50
6,218,210.77)	\$ 3,694,986.76	\$ 2,525,982.50	\$ 747,762.56	2,023,217.36
				4,265.22
				2,027,482.58
				316,004.04
				\$ 1,711,478.54

THE CANADIAN
STATEMENT OF FINANCE
To 31

1940 Wheat Crop Account.....	
1941 Wheat Crop Account.....	
1942 Wheat Crop Account.....	
1943 Wheat Crop Account.....	
1944 Wheat Crop Account.....	
Total Wheat — Western Division.....	
1944 Ontario Wheat Equalization Fund — P.C. 1638.....	
1945 Ontario Wheat Equalization Fund — P.C. 4646.....	
Total Wheat — Eastern Division.....	
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	
1944 Crop Barley Equalization Fund — P.C. 5998.....	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	
Total Oats and Barley.....	
Total — all Accounts.....	

HEAT BOARD
PAYMENTS TO PRODUCERS
July 1948

<u>Total Amounts Payable to Producers</u>	<u>Cheques Cashed by Producers to 31st July 1948</u>	<u>Balances Payable to Producers as at 31st July 1948</u>
26,081,800.16	\$ 25,902,606.58	\$ 179,193.58
15,305,476.69	15,203,223.61	102,253.08
19,692,770.12	19,582,383.88	110,386.24
36,725,167.12	34,224,910.03	2,500,257.09
66,019,001.69	61,109,536.37	4,909,465.32
<u>63,824,215.78</u>	<u>156,022,660.47</u>	<u>7,801,555.31</u>
188,226.09	185,343.42	2,882.67
<u>262,114.91</u>	<u>258,864.18</u>	<u>3,250.73</u>
450,341.00	444,207.60	6,133.40
1,570,750.97	1,565,532.75	5,218.22
8,867,004.74	8,843,626.84	23,377.90
6,106,932.94	6,084,098.88	22,834.06
3,762,008.54	3,396,174.08	365,834.46
<u>20,306,697.19</u>	<u>19,889,432.55</u>	<u>417,264.64</u>
<u>84,581,253.97</u>	<u>\$176,356,300.62</u>	<u>\$8,224,953.35</u>

THE CANADIAN
STATEMENT OF PROVISIONS
To 3

	Original Provisions	Payment of and Other Adjustments 31st July
1940 Wheat Crop Account.....	\$ 320,850.00	\$ 417,36
1941 Wheat Crop Account.....	178,250.00	238,80
1942 Wheat Crop Account.....	213,900.00	274,38
1943 Wheat Crop Account.....	495,000.00	187,01
1944 Wheat Crop Account.....	552,500.00	52
Total Wheat — Western Division.....	<u>1,760,500.00</u>	<u>1,118,08</u>
1944 Ontario Wheat Equalization Fund — P.C. 1638.....	13,751.58	12,81
1945 Ontario Wheat Equalization Fund — P.C. 4646.....	13,684.48	14,82
Total Wheat — Eastern Division.....	<u>27,436.06</u>	<u>27,63</u>
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	73,866.70	59,05
Prairie Farm Assistance Act levy cancelled.....	—	—
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	100,798.49	93,37
1944 Crop Barley Equalization Fund — P.C. 5998.....	75,738.31	66,64
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	55,095.30	—
Total Oats and Barley.....	<u>305,498.80</u>	<u>219,07</u>
Total — all Accounts.....	<u><u>\$2,093,434.86</u></u>	<u><u>\$1,364,79</u></u>

HEAT BOARD

FOR FINAL PAYMENT EXPENSES

for the year ended July 1948

Costs Incurred for the Year Ended July 1948	Exchange, Commissions and Other Adjustments 1947-48 Year	Balance of Original Provisions	Interest Credits on Surplus Funds to 31st July 1948	Balance as at 31st July 1948
4,216.31	\$ 172.05	(\$100,899.04)	\$ 345,852.22	\$ 244,953.18
3,030.92	95.80	(63,679.24)	249,544.27	185,865.03
3,390.92	40.02	(63,910.94)	316,381.07	252,470.13
42,524.60	2,374.50	263,083.28	159,769.46	422,852.74
47,227.43	83,693.28	321,057.54	(49,821.14)	271,236.40
100,390.18	86,375.65	355,651.60	1,021,725.88	1,377,377.48
467.80	.96	466.87	1,703.40	2,170.27
1,235.45	378.40	(2,752.03)	1,611.58	(1,140.45)
1,703.25	379.36	(2,285.16)	3,314.98	1,029.82
83.24	3.97	14,723.50	22,487.53	
—	—	—	15,707.52	52,918.55
451.00	10.92	6,961.50	80,039.13	87,000.63
1,786.36	720.48	6,589.87	38,036.34	44,626.21
25,524.86	29,292.50	277.94	7,897.12	8,175.06
27,845.46	30,027.87	28,552.81	164,167.64	192,720.45
29,938.89	\$116,782.88	\$381,919.25	\$1,189,208.50	\$1,571,127.75

THE CANADIAN
SCHEDULE OF ADMINISTRATION
AND ALLOCATION
For the year ended

Administrative and general expenses:

Salaries — Board members, officers and staff	\$1,364,12
Unemployment insurance.....	8,47
Advisory Committee — travelling expenses and per diem allowance.....	5,92
Rental and lighting of offices, including maintenance of The Canadian Wheat Board Building.....	73,95
Telephone — exchange service and long distance calls.....	24,81
Telegrams and cables.....	25,79
Postage and excise stamps.....	62,72
Printing and stationery.....	70,08
Office supplies and expenses.....	23,64
Travelling expenses.....	28,74
Travelling expenses — Inspectors.....	38,41
Legal fees and court costs.....	15
Audit fees.....	48,50
Tabulating equipment — rental and supplies, etc.....	84,38
Repairs and upkeep of office machinery and equipment.....	2,75
Grain market publications.....	1,80
Bonds and insurance.....	2,52
Grain Exchange dues.....	1,70
Express, freight and cartage on stationery, etc.....	9,70
Bailee bank expenses, bank charges, etc.....	94
Alterations to offices and fixtures.....	9,38
Depreciation on furniture, equipment and automobiles	11,92
Contribution to Pension Fund and actuarial expenses.....	8,87

Total administrative and general expenses for the year ended

31st July 1948..... \$1,909,35

HEAT BOARD D GENERAL EXPENSES OPERATIONS July 1948

Contributions to operations:

1945-49 Pool Account:

Marketing Producers' wheat.....	\$1,105,166.96	
Distributing adjustment payments.....	<u>326,950.57</u>	\$1,432,117.53

Distributing final payments to Producers:

(a) Western Division — Wheat:

1944 Crop Account.....	147,227.43	
1943 Crop Account.....	42,524.60	
1942 Crop Account.....	3,390.92	
1941 Crop Account.....	3,030.92	
1940 Crop Account.....	<u>4,216.31</u>	200,390.18

(b) Eastern Division — Wheat Equalization Funds:

1945 Ontario Wheat — P.C. 4646.....	1,235.45	
1944 Ontario Wheat — P.C. 1638.....	<u>467.80</u>	1,703.25

(c) Western Division — Oats and Barley:

1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	11,749.96	
1946 Oats Equalization Fund — P.C. 3222 and 1292.....	25,524.86	
1944 Barley Equalization Fund — P.C. 5998.....	1,786.36	
1943 Oats Equalization Fund — P.C. 4450 and 8898.....	451.00	
1942 Oats and Barley Equalization Funds — P.C. 4450.....	<u>83.24</u>	39,595.42

Special operations on behalf of Dominion of Canada:

1947 Ontario Wheat Payment Account — P.C. 3038 and 2705.....	9,255.63	
1947 Crop Account, Flax Division — P.C. 3038 and 829.....	48,832.78	
1946 Crop Account, Flax Division — P.C. 3222.....	1,971.69	
1946 Barley Equalization Fund — P.C. 3222 and 1292.....	7,484.38	
Oats and Barley Account — P.C. 1292.....	5,892.54	
1947 Crop Account, Seeds Division.....	3,458.40	
Drawback Account — P.C. 1736 and 4145.....	33,103.56	
Delivery Quotas and Permit Regulations, Etc.	<u>125,533.06</u>	235,532.04
		<u>\$1,909,338.42</u>

MILLAR, MACDONALD & Co.
CHARTERED ACCOUNTANTS

To The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board for the fiscal year ended 31st July 1948, and we have examined the Consolidated Balance Sheet and related statements of operations and schedules as enumerated in the Index appearing in Part III of the Report of the Board.

The transactions for the year have been verified in such detail and to such extent as we have considered necessary in view of the system of internal accounting control maintained by the Board. In this connection we have examined vouchers and other documentary evidence in support of grain and financial transactions and we have received all the information and explanations which we have required from members, officers and employees of the Board.

We have received certificates direct from bankers in confirmation of funds on deposit, and the Bank of Canada have confirmed direct to us that as at 31st July 1948 they held in safekeeping for the account of The Canadian Wheat Board, Dominion of Canada $\frac{5}{8}$ % treasury notes in the amount of \$50,000,000.00. We have verified the calculation of accrued interest on these notes to 31st July 1948. We have examined grain documents on hand and have received a certificate from the Lake Shippers' Clearance Association covering grain documents held by them for the account of the Board in verification of stocks of grain in store terminal elevators and mills. Stocks of grain in the custody of Agents and in country elevators have been verified by reference to grain records maintained by the Board in which reports submitted by Agents are regularly recorded. In our opinion the asset "Stocks of cash grain, etc." in the amount of \$65,127,028.36 is stated correctly in terms of the valuation bases indicated on the Consolidated Balance Sheet.

The asset "Due from the Dominion of Canada, \$5,147,501.23", includes an amount of \$1,191,920.11 representing all monies disbursed, including carrying charges, in connection with or incidental to the operation of the Board in respect of wheat sold for domestic requirements during the period from 1st August 1946 to 17th February 1947, pursuant to Section 18 (3) of Order-in-Council P.C. 3222 dated 30th July 1946. During this period there were 46,318,644-46 bushels of wheat sold for domestic requirements, and the average disbursements incidental thereto were at the rate of 3.1510832 cents per bushel. However, Order-in-Council P.C. 1061 dated 21st March 1947, directed every miller, processor, manufacturer or dealer to pay to the Board an adjustment charge in respect of each bushel of wheat in his possession, in transit to him or sold but not delivered by him at the close of business on 17th February 1947. This adjustment charge of $3\frac{1}{2}$ cents per bushel, which in its computation included a provision of $3\frac{1}{2}$ cents per bushel for carrying charges, was levied on 8,492,918-31 bushels of domestic wheat stocks in the hands of the aforementioned parties at the indicated date. In preparing its account with the Dominion of Canada, the Board deducted the domestic stocks from total domestic sales and billed the Dominion for net bushels of 37,825,726-15 at 3.1510832 cents per bushel, amounting to \$1,191,920.11, on the grounds that unless this deduction were made the Board would, in effect, be collecting carrying charges twice on 8,492,918-31 bushels of domestic wheat. There are some grounds for the opinion that the two levies were separate under separate authority and for different purposes, and should have been collected and dealt with separately.

Satisfactory evidence has been produced for our inspection in support of all other assets.

We have checked the computation of the liability to Agents for grain purchased but not yet delivered to the Board, and have verified the amounts due to Producers on miscellaneous accounts and on outstanding Producers' certificates. The Provisions for Final Payment Expenses include interest credits on Producers' surpluses during the periods of disbursement; this reserve may finally prove to be in excess of the actual costs of completing the various final payments to Producers.

Order-in-Council P.C. 1/6044 dated 29th December 1948, authorized the establishment of an Employee Retirement Plan for the benefit of the employees of The Canadian Wheat Board, effective 1st July 1948, under authority of Section 5C of The Canadian Wheat Board Act. As at the effective date of the Plan, the liability of the Board in respect of past services of employees was subsequently calculated at \$395,507.00. No provision for this liability nor for interest thereon has been made in the Consolidated Balance Sheet as at 31st July 1948, because the Plan had not been finally approved by the Dominion Government at that time.

The action which was commenced by the Board to recover certain barley which had been vested in the Board by Order-in-Council P.C. 1292, is still continuing. The surplus

from the operations of the Wheat Board on Oats and Barley Account — P.C. 1292, should be viewed as being subject to the final outcome of this action.

Other liabilities have been verified by reference to creditors' statements and other data, and are correctly stated to the best of our information and belief.

We have reviewed Part III of the Board's Annual Report which sets forth explanatory comments relative to the financial statements for the year under review. In our opinion the information presented therein is accurately recorded and is in agreement with our findings in the course of audit.

In terms of the foregoing, we report that in our opinion the Consolidated Balance Sheet and related statements of operations and schedules as enumerated in the Index appearing in Part III of the Report of the Board, are properly drawn up so as to exhibit respectively a true and correct view of the financial position of The Canadian Wheat Board as at 31st July 1948, and of the results of its operations for the periods ended on that date, according to the best of our information, the explanations given to us, and as shown by the books of the Board.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

Winnipeg, Manitoba
15th March 1949.

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Canadian Wheat Board

REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1948-1949

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REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1948-1949

PREFACE

The Annual Report of The Canadian Wheat Board for the crop year 1948-49 is presented in five Parts. Part I deals with The Canadian Wheat Board's main function of acquiring, handling and disposing of Producers' wheat. Part II deals with other operations under The Canadian Wheat Board Act. Part III deals with special operations on behalf of the Government of Canada. Part IV presents the Board's Financial Statements. Part V is the Auditor's Report.

Report of The Canadian Wheat Board

Crop Year 1948-1949

The RIGHT HONOURABLE C. D. HOWE,
Minister of Trade and Commerce,
OTTAWA, Canada.

Sir:

We beg to submit herewith the Annual Report of The Canadian Wheat Board for the crop year ending July 31st, 1949, as required by The Canadian Wheat Board Act, 1935.

PART I

THE MARKETING OF PRODUCERS' WHEAT

1. General Comment —Crop Year 1948-49

Increased production of wheat in Europe, ample wheat supplies available in exporting countries, the intensity of United States competition, the immediate effects of United States aid to various countries in Western Europe and increasing difficulties in financing international trade, were important factors in the 1948-49 wheat position.

For the first time since the end of World War II, sufficient supplies of wheat were available in exporting countries to meet import requirements. This fact represented an important change in the international wheat position which occurred during the crop year 1948-49. The change was brought about by a sharp increase in the 1948 production of wheat in Europe and moderate increases elsewhere, along with the maintenance of exportable quantities of wheat in the major exporting countries. The 1948 production of wheat in the principal wheat importing countries in Europe exceeded production in 1947 by about 450 million bushels. The increase in production was particularly marked in the case of the United Kingdom, France, Italy, Belgium and Sweden. Wheat production in these countries exceeded or came close to the average of pre-war years.

The United States was again the largest exporter of wheat. Harvesting their second largest wheat crop and their fifth successive wheat crop in excess of one billion bushels, and with a substantial carryover from the 1947 crop, the United States had near record supplies of wheat. United States exports of wheat (including flour)

amounted to 500 million bushels and constituted about one-half of the volume of wheat moving in international trade in 1948-49.

Wheat production in Canada was moderately higher in 1948 than in 1947, while production in the Argentine and Australia was moderately below that of the previous year. In 1948-49 Canadian exports amounted to 232.8 million bushels (including flour) while Australia and the Argentine supplied 125.6 million bushels and 60.5 million bushels respectively. The U.S.S.R. and Danubian countries were also exporters of wheat in 1948-49.

Owing to the change in the international wheat position, the activities of the Cereals Committee of the International Emergency Food Committee were restricted from the start of the crop year and finally terminated in April, 1949.

During the crop year under review the International Wheat Agreement was negotiated to become effective on August 1st, 1949.

2. Canadian Position

During 1948-49 the Board experienced some difficulty in disposing of deliveries from the 1948 crop. In the first four months of the crop year 1948-49 the sales effort of the Board was limited by lack of available stocks in August and September, and by the volume of new crop wheat which was placed in saleable positions in October and November.

These internal problems in the fall of 1948 were followed by a period of limited export demand for Canadian wheat, apart from shipments under the Canada-United Kingdom Wheat Agreement. During the winter months and during the early spring, it was difficult to sell Canadian wheat. This was a reflection of the improved crops harvested in Europe in 1948, the growing shortage of dollars and the competition of United States wheat, particularly in Continental Europe, where large quantities of United States wheat were imported under financing by the Economic Co-operation Administration.

There was a general improvement in the demand for Canadian wheat towards the end of the crop year, with the result that deliveries from the 1948 crop had been sold or committed for sale prior to the harvesting of the new crop.

Sales of Board wheat to India, Turkey, Egypt, Iran and the Union of South Africa and other areas outside of Europe, played an important part in the final disposition of the 1948 crop.

In May and June, 1949 Mr. W. J. Brooking, General Sales Manager, and Mr. C. B. Davidson, Secretary, visited Caribbean and South American countries in the interests of current and future sales of Canadian wheat.

3. *Wheat Policy*

During 1948-49 the Board administered the fourth year of the Five-Year Pool as provided for in The Canadian Wheat Board Act. The following developments in policy were important:

(a) INCREASE IN THE INITIAL PRICE

From August 1st, 1948 to March 31st, 1949 the initial price paid to producers was \$1.55 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver. Effective April 1st, 1949 the Government of Canada increased the initial price from \$1.55 to \$1.75 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver.

(b) SECOND 20-CENT ADJUSTMENT PAYMENT

Since the increased initial price was applicable to all wheat delivered to the Board since August 1st, 1945, a payment of 20 cents per bushel (less

P.F.A.A. levy) was concurrently authorized on all wheat delivered between August 1st, 1945 and March 31st, 1949. This payment applied on 1,067,227,709-20 bushels of wheat and involved the distribution of \$213,445,541.88. The Board commenced the distribution of these funds on April 1st, 1949.

(c) DOMESTIC SUBSIDY

On July 31st, 1948 the Right Honourable C. D. Howe announced that the Board was instructed to refund 45 cents per bushel (increased to 46½ cents per bushel on September 1st, 1948) on sales of western wheat from August 1st on, to millers and other processors of wheat for human consumption in Canada. The domestic subsidy was in effect from August 1st, 1948 to March 22nd, 1949. Funds to reimburse the Board were provided by Parliament during the crop year.

(d) DOMESTIC PRICE—1948-49

On July 31st, 1948 the Right Honourable C. D. Howe announced that effective August 1st, 1948 the domestic price of western wheat would be increased to \$2.00 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver, plus carrying charges.

(e) DOMESTIC PRICE AND U.K. AGREEMENT PRICE FOR 1949-50

On March 25th, 1949 the Right Honourable C. D. Howe announced that "it is the policy of the Government that returns to the producer in respect of domestic sales of western wheat shall be the same as under the British contract. This means that during the remainder of the present crop year and throughout the next crop year, western farmers, through the Wheat Board, are assured of a price of \$2.00 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver, plus carrying charges, in respect of both domestic sales and sales under the British contract."

4. *Legislation*

There were no amendments to The Canadian Wheat Board Act, 1935 during the crop year ending July 31st, 1949.

PENSION PLAN

Pursuant to Section 5c(1) of The Canadian Wheat Board Act the Board, with the approval of the Governor in Council, instituted a contributory pension plan for members, officers and staff of the Board. Contributions by the Board and employees commenced on an interim basis on July 1st, 1948, subject to adjustment on final approval of the Retirement Plan by Governor in Council. The plan was approved in December, 1948.

5. Crop Development and Wheat Supplies

Wheat acreage in Canada was slightly smaller in 1948 as compared with 1947. The area seeded to wheat in 1948 was 24,105,900 acres as compared with 24,260,400 acres in 1947. In the Prairie Provinces 1948 wheat acreage was 23,045,000 acres as compared with 23,357,000 acres in the previous year. The acreage seeded to wheat in Ontario increased sharply in 1948, amounting to 910,800 acres as compared with 743,400 acres in 1947.

In the Prairie Provinces grain crops were seeded later than usual. Seeding became general during the latter part of May and continued into June in some areas in Saskatchewan and in central and northern Alberta.

Above normal temperatures early in June revealed lack of moisture throughout western Saskatchewan and over most areas in eastern and northern Alberta. Dry weather continued throughout June and severe crop damage occurred in most areas in western Saskatchewan and eastern Alberta. Good rains and timely showers were received commencing in the second week of July. These and subsequent rains halted deterioration and resulted in some improvement in crop prospects even in the areas where drought had been most severe. The balance of the growing season was favourable and harvesting, apart from some areas in Alberta, proceeded rapidly throughout the Prairie Provinces.

The final outturn of the 1948 wheat crop in the Prairie Provinces reflected the pattern indicated early in the growing season. Yields were light throughout western Saskatchewan and over most of the eastern part of Alberta. Even in

areas which had been most seriously affected by drought, yields, while small, were somewhat better than expected.

In eastern Canada the growing season was favourable throughout, and with an increased wheat acreage wheat production amounted to 27.9 million bushels as compared with 18.8 million bushels in 1947.

Production of wheat in Canada in 1948 amounted to 393.3 million bushels as compared with 341.8 million bushels in 1947. Production in the Prairie Provinces amounted to 363.0 million bushels as compared with 320.0 million bushels.

On July 31st, 1949 the Canadian carryover of wheat, including stocks of wheat on farms, was 98.7 million bushels as compared with 77.7 million bushels on the same date in the previous year. Over 40% of the carryover on July 31st, 1949 consisted of wheat held on farms in Canada.

On July 31st, 1949 the carryover of commercial supplies of wheat (stocks of wheat in elevators, mills, in transit, etc.) amounted to 54.6 million bushels as compared with 36.7 million bushels on July 31st, 1948. The increase in the commercial carryover was largely due to the late deliveries and relatively heavy sales for shipment subsequent to August 1st, 1949.

6. Board Receipts

Board receipts of wheat during the crop year ending July 31st, 1949 were as follows:

	Bushels
August, 1948.....	8,113,802-50
September.....	109,444,291-05
October.....	63,040,866-45
November.....	19,277,621-40
December.....	7,321,649-00
January, 1949.....	33,653,199-20
February.....	4,860,864-30
March.....	6,656,045-30
April.....	9,327,501-20
May.....	7,557,821-05
June.....	8,696,975-45
July.....	15,065,197-40
Total.....	293,015,836-30

The foregoing table shows the heavy concentration of wheat deliveries to the Board in September, October, January and July. The heavy deliveries to the Board in September and October reflected the favourable harvesting weather which prevailed in the fall of 1948. The relatively small deliveries of wheat in April, May and June and heavy deliveries in the final month of the crop year, presented a difficult sales problem for the Board. In April, May and June ample transportation was available to move wheat promptly from country elevators to mills and other domestic users and to seaboard for export. The available transportation could not be used to capacity during this period and the Board was in doubt as to the quantity of wheat which would be available for sale prior to the end of the crop year. Wheat delivered to the Board in July cannot, for the most part, be placed in saleable position until the first month of the ensuing crop year and could adversely affect the results of a pooling operation.

7. Export Movement

During 1948-49 exports of wheat (including flour) amounted to 232.8 million bushels as compared with 195.0 million bushels in 1947-48. The following table shows the monthly distribution of Canadian wheat exports (including flour):*

	Million Bushels
August, 1948.....	13.3
September.....	14.2
October.....	17.4
November.....	20.6
December.....	17.4
January, 1949.....	19.0
Total—August-January.....	101.9
February.....	15.0
March.....	17.2
April.....	18.5
May.....	28.0
June.....	28.3
July.....	23.9
Total—February-July.....	130.9
TOTAL—	
AUGUST-JULY, 1948-49.....	<u>232.8</u>
TOTAL—	
AUGUST-JULY, 1947-48.....	<u>195.0</u>

*Source: Board of Grain Commissioners for Canada.

Exports of wheat from Canada were relatively large in the last six months of the crop year, and particularly so in the last three months of the crop year. This pattern of exports reflected the availability of transportation within the crop year and the improved demand for Canadian wheat in the final quarter of the crop year.

The following table shows the export movement of Canadian wheat (not including flour) for 1948-49 by countries of destination:*

	Bushels
United Kingdom.....	128,681,049
Ireland.....	1,707,492
British South Africa.....	7,442,891
India.....	11,315,099
Malta.....	2,201,132
Egypt.....	2,398,021
Arabia.....	445,864
China.....	522,666
Iran.....	343,276
Israel.....	912,296
Lebanon.....	448,408
Turkey.....	2,345,067
Belgium.....	4,966,932
Germany.....	527,345
Italy.....	3,719,246
Netherlands.....	361,066
Norway.....	957,830
Portugal.....	1,631,551
Switzerland.....	5,574,353
Mexico.....	1,033,870
Peru.....	1,199,653
United States (Consumption and Milling in Bond).....	5,255,171
Other Countries.....	225,031
TOTAL.....	<u>184,215,309</u>

*Source: Board of Grain Commissioners for Canada. These export statistics include exports of eastern wheat and registered and certified seed as well as western wheat.

In addition to the foregoing quantities of wheat, 48.1 million bushels of wheat in the form of flour were exported from Canada during 1948-49. This represented over 20% of the total quantity of Canadian wheat moving into export trade either as grain or as flour. Export trade in Canadian flour is important because of the quantity of wheat involved and the wide distribution of the product. During 1948-49 Canadian flour exports went to about 80 countries.

Many of the smaller countries throughout the world have little or no milling capacity and it is through flour exports that Canadian wheat reaches these markets.

In 1948-49 the largest individual market for Canadian flour was the United Kingdom which took the equivalent of 23.0 million bushels of wheat in the form of flour.

Continental Europe was a substantial importer, taking over 4.0 million bushels of wheat in the form of flour; Italy, Switzerland, Germany and Belgium being the principal importing countries.

Canadian flour goes to many countries in Asia. In the Near East, Syria, Palestine, Saudi-Arabia and Aden were the principal importers during 1948-49. In the Far East, Hong Kong, China, Pakistan and the Philippine Islands were all markets for Canadian flour. The Philippines took nearly 3.0 million bushels of wheat in the form of flour and Hong Kong and Pakistan imported nearly 1.5 million bushels of wheat in the form of flour.

The British West Indies is a traditional market for Canadian flour. Imports in 1948-49 were the equivalent of about 5.0 million bushels. Other Caribbean countries importing Canadian flour were Cuba, Dominican Republic and Netherlands Antilles. Practically every country in Central America purchased Canadian flour in the crop year under review.

Over 1.0 million bushels of wheat in the form of flour went to Africa, the principal importing countries being Egypt, Belgian Congo, Morocco, Portuguese East Africa, Gold Coast and Sierra Leone. In South America the principal importers of Canadian flour were Venezuela, British Guiana, Netherlands Guiana, Ecuador, Colombia and Brazil. South American countries imported a total of over 3.0 million bushels of Canadian wheat in the form of flour.

During the crop year the Board sold 4.8 million bushels to United States mills for milling in bond.

The United States bonded mills, mostly located at Buffalo, N.Y., are a traditional market for Canadian wheat. Owing to the shortage of supplies in 1946-47 and in 1947-48, it had not been possible for the Board to provide wheat for this movement. In March, 1949 the Board again made wheat available to the United States mills for milling in bond and during the balance of the crop year shipments to these mills amounted to 4.8 million bushels.

WHEAT EXPORTS BY PORTS

In 1948-49 exports through Eastern Canadian ports totalled 103.5 million bushels and through Eastern United States ports, 9.8 million bushels. Pacific Coast clearances amounted to 60.4 million bushels and 5.3 million bushels were cleared through Churchill.

8. Administration of the Canada-United Kingdom Wheat Agreement

During 1948-49 the Board administered the third year of the Canada-United Kingdom Wheat Agreement. As a result of negotiations between the Government of Canada and the Government of the United Kingdom, the Agreement price

covering 140 million bushels of wheat for 1948-49 was established at \$2.00 per bushel basis No. 1 Northern wheat in store Fort William/Port Arthur, Vancouver or Churchill. The contracting governments agreed that for the crop year 1948-49 the quantity of flour to be supplied by Canada within the terms of the Agreement would be 450,000 tons.

During 1948-49 the chief administrative developments were:

(1) CARRYING CHARGES AND GRADE SPREADS

In accordance with the Agreement, the Board entered into negotiations with United Kingdom authorities with respect to the 1948-49 carrying charge on all wheat shipped under the Agreement. A carrying charge of 5 cents per bushel was agreed upon, effective October 1st, 1948. This was an increase of 1½ cents per bushel in the carrying charge which had been in effect. The increased carrying charge was necessary because of the increased cost of storing wheat in Canada and higher interest charges resulting from the increased prices. As provided under the Agreement, the carrying charge of 5 cents per bushel was added to the Agreement price of \$2.00 per bushel.

The contracting governments further agreed that prices for grades other than No. 1 Northern would conform to the spreads at which the Board purchased such grades from producers.

(2) QUANTITIES SUPPLIED UNDER THE AGREEMENT 1948-49

In carrying out the terms of the Agreement, the Board made available 123.2 million bushels of wheat to the United Kingdom applicable to the 1948-49 terms of the Agreement. In addition to this quantity of wheat, the Board sold to Canadian mills 23.1 million bushels of wheat for the production of flour to be shipped to the United Kingdom under the Agreement. Of this quantity, the equivalent of 16.8 million bushels was for delivery

to the United Kingdom as flour and the equivalent of 6.3 million bushels was retained in Canada in the form of mill offals. Thus, the provision of wheat for the United Kingdom under the 1948-49 terms of the Agreement was the equivalent of 140 million bushels.

At the conclusion of the crop year the Governments of Canada and the United Kingdom acknowledged that the terms of the Agreement for 1948-49 had been fulfilled.

9. Transportation

The crop year 1948-49 commenced with small stocks of wheat in country elevators in the Prairie Provinces. This meant that a large-scale movement of wheat from country positions had to await marketings from the new crop. Not until mid-September were country elevator stocks sufficiently large to permit maximum loadings by the railways. As in the previous year, the arrival of adequate stocks of wheat in forward positions prior to the close of navigation on the Great Lakes depended upon the effort of the railways over a period of about nine weeks following the peak of harvesting operations.

During this critical period Board requirements of wheat in forward positions were:

- (1) Wheat for current export to the United Kingdom and other countries;
- (2) Wheat for current domestic use and for export flour;
- (3) Wheat for eastern stocks at the close of navigation for winter domestic use and for export as wheat or flour during the December-April period.

These wheat requirements, along with necessary transportation for the movement of other grains and flaxseed, involved a shipping programme in the fall of 1948 which was not fully attained by the railways in the relatively short period of time

available. The result was that the Board had to reduce its export objectives for the fall season, and under the circumstances could only make limited sales of wheat over and above seasonal shipments to the United Kingdom. During the fall months the Board was under continuous strain in respect to stocks of wheat available in seaboard positions. Under the circumstances then prevailing, the Board would have preferred to have disposed of more wheat during the first half of the crop year had it been possible to attain a larger movement of wheat from country elevators through to seaboard positions.

During the first week in December a total of 108 million bushels of wheat remained in country elevators. These stocks, in addition to winter marketings by producers, were moved forward in good volume during the winter months and formed the basis for a substantial export movement of wheat after the opening of navigation.

The underlying transportation problem in the fall of 1948 was alleviated to some extent by sales contracts entered into with Switzerland, India and the Union of South Africa. These three contracts called for the bulk of shipments to be spread over the period from December 1948 to August 1949. They also contained provision for substantial shipments through Pacific Coast ports. During 1948-49 a total of 60.4 million bushels was shipped through Pacific Coast ports as compared with 36.1 million bushels in 1947-48.

10. Delivery Quotas

On July 21st, 1948 the Board announced that there would be no delivery quotas on rye or flaxseed for the crop year 1948-49 and that delivery quotas on wheat, oats and barley would be left open after August 1st, 1949 until the new crop deliveries and shipments reached such a volume as to make necessary the establishment of delivery quotas for these grains.

The deferring of delivery quotas until after the start of the crop year was advisable because of the urgent need of maximum deliveries of grain until the new crop became available in volume.

On August 27th, 1948 the Board announced the establishment of delivery quotas applying generally in eastern Saskatchewan and Alberta. The Board considered that delivery quotas were unnecessary in Manitoba and in the low-yield areas of Saskatchewan.

In announcing initial delivery quotas the Board pointed out that it had to "consider not only the producers' position in respect to deliveries of grain to country points but its own responsibility, and the producers' interest in taking advantage of immediately available markets."

The original delivery quotas were established on a basis of 10 bushels per seeded acre on wheat, oats and barley at approximately 1,200 delivery points in Saskatchewan and Alberta. As soon as space became available at individual delivery points, quotas were increased or removed. On November 8th remaining delivery quotas in Saskatchewan, and on November 23rd remaining delivery quotas in Alberta, were removed.

11. Elevator Handling Agreement

Increased costs of operating grain storage facilities in Canada and increased maximum tariffs established by the Board of Grain Commissioners for Canada were reflected in the 1948-49 Agreement negotiated between the Board and handling companies.

The 1948-49 Handling Agreement negotiated between the Board and handling companies included an increase from 3½ cents to 4½ cents per bushel in the country elevator handling margin, an increase in the storage rate from 1/30 of a cent per bushel to 1/25 of a cent per bushel per day.

12. Position of the Five-Year Pool

As at July 31st, 1949 the position of this Five-Year Pool was as follows:

		Bushels	
1. Wheat Acquired by the Board:			
(a) Producers' Deliveries: 1945-46 Crop.....	235,432,048-50		
1946-47 Crop.....	335,158,496-35		
1947-48 Crop.....	243,940,871-05		
1948-49 Crop.....	293,015,836-30		
	1,107,547,253-00		
(b) Wheat Otherwise Acquired ¹	7,850,335-08		
Total Wheat Acquired.....	1,115,397,588-08		
	(Value)	(Value)	
2. Cost of Wheat Acquired August 1st, 1945 to July 31st, 1949.....			\$1,907,177,178.99
3. Proceeds of Sales, August 1st, 1945 to July 31st, 1949 and Inventory:			
(a) Sales.....	\$1,835,982,298.15		
(b) Inventory—July 31st, 1949 ²	93,200,829.48	1,929,183,127.63	
		22,005,948.64	
4. DEDUCT: Funds Transferred to 1944 Crop Account ³		12,000,000.00	
		10,005,948.64	
5. ADD: Recovery of Storage, Interest and Differ- ential Charges, etc.....		30,796,156.55	
6. Gross Surplus as at July 31st, 1949.....			40,802,105.19
7. Operating Costs to July 31st, 1949:			
(a) Carrying Charges including Terminal Storage.....	39,105,597.50		
(b) Interest and Bank Charges (Net).....	197,128.03		
(c) Additional Freight (Net).....	2,419.52		
(d) Administrative and General Expenses.....	3,847,809.07		
(e) Other Costs ⁴	1,390,754.21	44,543,708.33	
8. Deficit on operations as at July 31st, 1949.....			3,741,603.14
Add: Cost of Adjustment Payments.....			1,494,018.23
9. Deficit 1945-49 Pool Account to July 31st, 1949.....			\$ 5,235,621.37

¹ Purchases of wheat produced in non-designated areas, salvage wheat and overages at terminal and country elevators, etc.;

² Inventory stocks of 46,803,308-42 bushels valued basis \$2.00 per bushel for No. 1 Northern wheat in store Fort William/Port Arthur or Vancouver;

³ Funds transferred to the 1944 Crop Account under authority of Order-in-Council P.C. 4869 of November 26th, 1946 so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts;

⁴ Mainly costs of conditioning wheat stocks at Pacific Coast ports prior to overseas shipment.

As shown by the foregoing table, the deficit in the 1945-1949 Pool was \$5,235,621.37 as at July 31st, 1949.

13. Board Operating Costs

From August 1st, 1945 to July 31st, 1949 (four full crop years), the Board's operating costs applicable to producers' wheat amounted to \$46,037,726.56. Of these operating costs the Board recovered \$30,796,156.55, mainly in carrying charges (storage and interest) on domestic wheat and wheat for the United Kingdom.

The Board's operating costs for the first four years of the Five-Year Pool are summarized as follows:

(1) CARRYING CHARGES

On 1,115,397,588-08 bushels of wheat delivered to the Board between August 1st, 1945 and July 31st, 1949, carrying charges amounted to \$39,105,597.50.

(2) ADMINISTRATIVE AND GENERAL EXPENSES

From August 1st, 1945 to July 31st, 1949 administrative and general expenses amounted to \$3,847,809.07. These costs amounted to .3449 cents per bushel on the total wheat acquired.

(3) INTEREST AND BANK CHARGES

Interest earned by the Board on surplus funds exceeded interest paid by the Board during the first three years of the Five-Year Pool. In 1948-49 interest paid by the Board exceeded interest earned by \$1,366,659.59. At the end of the fourth year of the Five-Year Pool, net interest and bank charges had amounted to \$197,128.03.

(4) ADJUSTMENT PAYMENTS

The cost of making adjustment payments to producers on the 1945, 1946, 1947 and 1948 Crop Accounts amounted to \$1,494,018.23 during the first four years of the Five-Year Pool.

(5) OTHER OPERATING COSTS

All other operating costs of the Board from August 1st, 1945 to July 31st, 1949 amounted to \$1,393,173.73. These costs were principally incurred in the drying and conditioning of wheat at the Pacific Coast. They also include net payments for additional freight amounting to \$2,419.52.

14. Distribution of Sales—1945-49 Pool to July 31st, 1949

	Quantity (bushels)	Sales Basis ¹ (Basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver)
To United Kingdom and Other Countries prior to the Can- ada-United Kingdom Agree- ment.....	208,013,770-19	\$1.55 per bushel ²
To United Kingdom for the Canada - United Kingdom Agreement.....	485,915,258-13	{ 339,573,484-44 bus. @ \$1.55 per bus. ³ 146,341,773-29 bus. @ \$2.00 per bus. ³
To Other Countries subsequent to the Canada-United King- dom Agreement.....	169,724,667-54	Average of \$2.39 per bus.
To the Domestic Market.....	204,090,130-20 ⁴	{ 38,470,997-00 bus. @ \$1.25 per bus. ⁵ 112,933,945-51 bus. @ \$1.55 per bus. ⁶ 52,685,187-29 bus. @ \$2.00 per bus. ⁷
Weight Losses in transit and in drying and reconditioning wheat.....	850,452-40	
Total Sales August 1st, 1945 to July 31st, 1949.....	<u>1,068,594,279-26</u>	

¹ Exclusive of any carrying charges;

² Board's Class II price and Order-in-Council P.C. 6122, September 19th, 1945;

³ As provided for 1946-47, 1947-48 and 1948-49 in the Canada-United Kingdom Wheat Agreement;

⁴ Since wheat for domestic use in 1945-46 was supplied from the 1944 Crop Account, a transfer of \$12,000,000.00 from the 1945 Crop Account to the 1944 Crop Account was authorized by Order-in-Council P.C. 4869 of November 26th, 1946, so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts;

⁵ \$1.25 per bushel from August 1st, 1945 to February 17th, 1947;

⁶ \$1.55 per bushel from February 18th, 1947 to July 31st, 1948;

⁷ \$2.00 per bushel from August 1st, 1948 to July 31st, 1949.

15. Selling Prices—Class II Wheat

1945-46—In 1945-46 all export wheat was sold at \$1.55 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This was the Board's Class II price from August 1st, 1945 to September 19th, 1945 when the same price was established as an export ceiling price by Order-in-Council P.C. 6122, September 19th, 1945.

1946-47—During 1946-47 the Board's Class II price ranged from \$2.05 per bushel to \$3.10 per bushel, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. The Board's average selling price for Class II wheat in 1946-47 (including sales of Class II wheat from stocks in agents' hands on July 31st, 1947) was \$2.43 per bushel, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver.

1947-48—During 1947-48 the Board's Class II price ranged from \$2.37 per bushel to \$3.45 per bushel, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. The Board's average selling price for Class II wheat in 1947-48 (including sales of Class II wheat from stocks in agents' hands on July 31st, 1948) was \$2.88 per bushel, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver.

1948-49—During 1948-49 the Board's Class II price ranged from \$1.91 to \$2.48 per bushel, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. The Board's average selling price for Class II wheat in 1948-49 (including sales of Class II wheat from stocks in agents' hands on July 31st, 1949) was \$2.23 per bushel, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver.

16. Payment Division

During the crop year 1948-49 the Payment Division was concerned with the 20-cent adjustment payment authorized on wheat delivered to the Board between August 1st, 1945 and March 31st, 1949 as well as in connection with previously authorized payments. During 1948-49 the Payment Division issued 1,365,559 cheques to producers with a value of \$220,681,269.95.

The following table shows payments made during 1948-49 in respect to various Crop Accounts:

	Number of Cheques	Value
FINAL PAYMENTS		
1940 Crop.....	502	\$ 13,323.49
1941 and 1942 Crops.....	633	20,791.34
1943 Crop.....	45,300	1,738,284.80
1944 Crop.....	47,622	3,238,437.08
1945-1949 Pool		
ADJUSTMENT PAYMENTS		
1945 Crop.....	306,350	47,889,055.97
1946 Crop.....	351,501	70,910,535.95
1947 Crop.....	397,302	54,482,608.94
1948 Crop.....	216,349	42,388,232.38
TOTAL.....	1,365,559	\$220,681,269.95

During the crop year the Payment Division has been quite active in connection with the adjustment payments authorized effective April 1st, 1948 and April 1st, 1949. On payments authorized prior to April 1st, 1948 there is still a considerable number of producers' certificates which have not been sent in for payment. The Payment Division is making a continuous effort to locate producers concerned and facilitate the payment of funds which are being held by the Board for this purpose. The following table shows the bushels and value involved in outstanding producers' certificates as at July 31st, 1949:

	Bushels	Value	% Unpaid
1940 Crop.....	2,084,201-20	\$ 148,943.58	.567
1941 and 1942 Crops....	1,262,296-30	166,849.70	.481
1943 Crop.....	5,018,894-15	638,469.45	1.739
1944 Crop.....	4,653,150-30	875,502.41	1.323
1945 Crop.....	1,807,047-35	895,477.98	.767
1946 Crop.....	4,550,425-45	1,802,005.59	1.357
1947 Crop.....	10,303,030-40	3,097,759.21	3.467
1948 Crop.....	38,620,241-05	7,646,731.29	15.282

During the crop year the Payment Division concentrated on endeavouring to reduce the outstanding producers' certificates in connection with the 1940, 1941, 1942, 1943 and 1944 Crop Accounts. During the crop year producers' certificates issued in respect to the foregoing crops were surrendered and paid to the extent of \$5,010,836.71. After these payments were made, producers' certificates with a value of \$1,829,765.14 were still outstanding on July 31st, 1949 and represented 1.116% of the authorized payments in connection with the 1940, 1941, 1942, 1943 and 1944 Crop Accounts.

Producers are still surrendering certificates in good volume in respect to adjustment payments authorized within the Five-Year Pool. There are still some producers holding certificates issued in

1945-46 and these certificates are eligible for payments which now amount to 50 cents per bushel. Outstanding 1946 and 1947 producers' certificates are eligible for payments of 40 cents per bushel when surrendered by producers. All payments are subject to the 1% P.F.A.A. levy.

As at the date of the Report, a careful survey of outstanding producers' certificates in the drought areas in the West has been made and renewed efforts are being made to get in touch with producers in these areas who are holding producers' certificates upon which payments have been authorized.

17. Staff and Offices

During the crop year 1948-49 the number of employees of the Board was substantially reduced, as shown by the following table:

	July 31st, 1949	July 31st, 1948
Head Office, Winnipeg.....	477	657
Calgary, Alberta.....	27	32
Vancouver, B.C.....	16	17
Toronto, Ont. ¹	—	2
Washington, D.C. ²	2	2
London, England.....	2	2
Total.....	<u>524</u>	<u>712</u>

¹ Closed in August, 1949

² Closed in July, 1949

The major part of the reduction in staff occurred towards the end of the crop year with the completion of the main part of the 20-cent adjustment payment which commenced on April 1st, 1949. The chief reduction in staff took place in the Payment Division and in other departments of the Board sharing in payment work.

With the Board handling oats and barley commencing on August 1st, 1949, an additional staff of approximately 100 was required.

During 1948-49 the Washington office continued liaison work with the United States Department of Agriculture and worked closely with the Cereals Committee of the International Emergency Food Committee up until the time that Committee was disbanded in April, 1949. When it was decided that the Headquarters of the International Wheat Council (administering the International Wheat Agreement) would be in London, England, the Board closed its Washington office in July, 1949.

The London office under Mr. R. V. Biddulph, European Commissioner, continued the liaison work with the Imported Cereals Division of the United Kingdom Ministry of Food, as well as keeping in close contact with market developments in western Europe.

18. Staff Changes

In November, 1948 Mr. J. B. Lawrie, Assistant Director of the Wheat and Grain Division, Department of Trade and Commerce, Ottawa, joined the staff of the Board as Executive Assistant.

In July, 1949 Mr. R. N. Hickman, Assistant Sales Manager since 1943, resigned to return to private business. The Board records its appreciation of the services rendered by Mr. Hickman over a period of nearly six years.

With the Board handling oats and barley during the crop year 1949-50, the Sales Department, under Mr. W. J. Brooking, General Sales Manager, was reorganized. Mr. S. W. Telfer and Mr. N. W. Leslie were appointed Assistant Sales Managers. Mr. A. W. Cordon, Mr. J. W. Allen and Mr. D. H. Rees were appointed Sales Assistants. The appointments listed were promotions within the organization.

19. Legal Department

The Legal Department dealt with all matters of a legal nature affecting the operations of the Board during the crop year 1948-49. A substantial part of the work of the Legal Department was in connection with payments, with particular reference to lost producers' certificates and producers' certificates involved in estates.

Very few breaches in grain delivery regulations were reported during 1948-49 and prosecutions were carried out in 17 instances. This compares with 14 prosecutions in the previous crop year.

20. Advisory Committee

The Board records its appreciation of the services rendered by the Advisory Committee. Three meetings of the Advisory Committee were held in 1948-49 and on the occasion of each meeting the operations of the Board and the general grain situation were reviewed. Members of the Advisory Committee during 1948-49 were: Messrs.—

L. Hutchinson.....	Calgary, Alta.
D. I. Walker.....	Toronto, Ont.
J. C. A. Nijdam.....	Winnipeg, Man.
F. H. Clendenning.....	Vancouver, B.C.
J. Theo Roy.....	Montreal, Que.
J. H. Wesson.....	Regina, Sask.
R. C. Brown.....	Winnipeg, Man.
F. Pettypiece.....	Auld, Ont.
J. A. McCowan.....	Summerberry, Sask.
P. Farnalls.....	Halkirk, Alta.
C. E. Hayles.....	Winnipeg, Man.

PART II

OTHER OPERATIONS UNDER THE CANADIAN WHEAT BOARD ACT

In 1948-49 the Board administered other operations under The Canadian Wheat Board Act. These operations are summarized as follows:

1. Oats and Barley

(a) MINIMUM PRICES

In 1948-49 the Board was empowered to buy Winnipeg oats futures or cash oats at a price per bushel which would assure that producers in Western Canada would be continuously offered 61½ cents per bushel basis No. 1 Feed Oats in store Fort William or Port Arthur.

During 1948-49 the Board was empowered to buy Winnipeg barley futures or cash barley at a price per bushel which would assure that producers in Western Canada would be continuously offered 90 cents per bushel basis No. 1 Feed Barley in store Fort William or Port Arthur.

The Board was also empowered to support prices for other grades of oats and barley in proper relation to No. 1 Feed Oats and No. 1 Feed Barley.

Since market prices for oats and barley remained above the floor prices for the entire crop year, the Board did not purchase oats or barley pursuant to the foregoing minimum prices.

(b) EQUALIZATION FUNDS

Maximum prices having been removed in the previous crop year, and no limitation having been placed on exports, equalization fees on oats and barley were not assessed during the crop year 1948-49. During 1948-49 the Board distributed to producers the proceeds of the 1947-48 Oats and Barley Equalization Funds. Out of the 1947 Oats Equalization Fund the Board distributed \$4,269,706.84 or 5.881 cents per bushel on producers' deliveries. The barley distribution amounted to \$4,402,527.75 or 6.78 cents per bushel on producers' 1947-48 deliveries.

During the crop year the Board continued to issue export permits on oats and barley for United States destinations. These permits were issued on request.

(c) FUTURE POLICY

During the crop year 1948-49 two important announcements were made in regard to 1949-50 policy for oats and barley. On March 15th, 1949, the Right Honourable C. D. Howe, Minister of Trade and Commerce, stated that the Government, through The Canadian Wheat Board, would support the price of Western Oats at 61½ cents per bushel basis No. 1 Feed Oats in store Fort William/Port Arthur and support the price of Western Barley at 90 cents per bushel basis No. 1 Feed Barley in store Fort William/Port Arthur. On July 20th, Mr. Howe issued a further statement in regard to the 1949-50 oats and barley policy, in which he indicated that Parts III and IV of The Canadian Wheat Board Act would be brought into force for the crop year commencing August 1st, 1949, and ending on July 31st, 1950. The statement outlined the basis upon which the initial prices for Western oats and barley would be established for the crop year 1949-50.

2. Flaxseed

From 1942-43 to 1946-47 the Board was the sole agency for the purchase of flaxseed from producers. During these years the Board purchased flaxseed from producers at a fixed and final price, with surpluses and deficits for the account of the Government of Canada.

In 1947-48 the flaxseed programme was based upon provisions of The Canadian Wheat Board Act and minimum price regulations. Effective August 1st, 1947 the Board was empowered to purchase flaxseed at \$5.00 per bushel (later increased to \$5.50 per bushel) basis No. 1 C.W. Flaxseed in store Fort William/Port Arthur. At the same time, Wartime Prices and Trade Board Order No. 751 established a domestic ceiling of \$5.00 per bushel basis No. 1 Canada Western Flaxseed in store Fort William/Port Arthur. Similar support prices and ceiling prices were established for Canada Eastern Flaxseed basis in store Montreal. The effect of the maximum price established by the Wartime Prices and Trade Board was to direct virtually all producers' mar-

ketings of commercial flaxseed to the Board during 1947-48. In 1947-48 provision was made for the distribution of any surplus on Board operations to producers delivering flaxseed during the crop year. As outlined in the Annual Report of the Board for 1947-48, this operation resulted in a substantial deficit.

On March 23rd, 1948 the Right Honourable C. D. Howe announced that the Wartime Prices and Trade Board ceiling prices for flaxseed would be removed effective August 1st, 1948. He also announced that in 1948-49 the Board would support the price of flaxseed at \$4.00 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur with Canada Eastern Flaxseed supported at the same level basis in store Montreal.

With the removal of the price ceiling effective August 1st, 1948, an open market operation was possible with the Board providing a floor price of \$4.00 per bushel basis No. 1 C.W. Flaxseed in store Fort William/Port Arthur and for Eastern Flaxseed, at the same floor price basis in store Montreal.

The 1948-49 policy was set forth in Part III of The Canadian Wheat Board Regulations (Order-in-Council P.C. 3376) as follows:

"15. The Canadian Wheat Board is hereby empowered to buy Winnipeg flaxseed futures or cash flaxseed at a price per bushel which will assure that producers will be continuously offered four dollars per bushel for flaxseed of the grade Number One Canada Western, basis in store Fort William/Port Arthur and the grade Number One Canada Eastern, basis in store Montreal; and such price for each other grade of flaxseed as in the opinion of the Board brings such grade into proper price relationship with the grade Number One Canada Western Flaxseed.

"16. It shall be the duty of the Board to buy all flaxseed offered for sale to it in accordance with the provisions of section fifteen and the Board shall sell and dispose of, from time to time, at such prices as it may consider reasonable, all flaxseed so acquired by it.

"17. Any net profits arising from the operations of the Board under this Part in respect of flaxseed shall be distributed equitably among producers who have sold and delivered flaxseed to a dealer within the crop year ending on the thirty-first day of July, nineteen hundred and forty-nine."

It should be noted that in 1948-49 the Board was not required to purchase flaxseed directly from producers. The Board's position was that of providing floor prices for flaxseed in store Fort William/Port Arthur basis \$4.00 per bushel for No. 1 Canada Western Flaxseed, or in the case of No. 1 Canada Eastern Flaxseed, in store Montreal, which would permit elevator companies and others to purchase flaxseed from producers on the basis of market prices or on the basis of the specified floor prices.

SUPPLIES AND DISPOSITION

While 1948 flaxseed acreage was well below the peak reached during the war, high yields per acre resulted in a crop of 17.7 million bushels, as compared with 12.2 million bushels in 1947.

The commercial supply in 1948-49 was the largest in recent years. On July 31st, 1948 the carryover of commercial stocks of flaxseed was 3.1 million bushels. During the crop year producers marketed 15.8 million bushels of flaxseed. Total commercial supplies, therefore, amounted to 18.9 million bushels. Of this supply, 4.4 million bushels were exported as seed and 3.9 million bushels were used in Canada or exported in the form of oil. Commercial carryover on July 31st, 1949 was 10.5 million bushels. Less than one-half of available supplies were disposed of in Canada and abroad during the crop year.

During 1948-49 the United States and the Argentine had substantial surpluses of flaxseed and/or linseed oil. The United States continued their embargo on imports of flaxseed and linseed oil.

1948-49 FLAXSEED OPERATION

Commencing on August 14th, 1948 the Winnipeg Grain Exchange provided facilities for trading in flaxseed futures. On that date the November future was quoted at \$4.55 per bushel and the

closing cash price was \$4.50 per bushel basis No. 1 C.W. Flaxseed in store Fort William/Port Arthur. Market prices for flaxseed worked to lower levels during the ensuing five weeks and on September 23rd the cash price for No. 1 C.W. Flaxseed reached the support level of \$4.00 per bushel basis in store Fort William/Port Arthur. On September 25th the Board took delivery of its first flaxseed. As market prices remained at the support level for the balance of the crop year, deliveries to the Board continued until the end of July.

The following table shows Board purchases of Eastern and Western Flaxseed for the crop year 1948-49:

	Total Purchases* (bushels)
August, 1948.....	—
September.....	458,214-29
October.....	4,760,091-19
November.....	1,620,130-04
December.....	1,093,334-10
January, 1949.....	945,368-54
February.....	214,517-26
March.....	380,997-53
April.....	728,857-00
May.....	647,633-55
June.....	716,917-10
July.....	1,741,941-07
Total.....	<u>13,308,003-43</u>

*Including 98,768-36 bushels purchased from the 1947-48 Crop Account.

As shown by the above table, the Board purchased 13,308,003-43 bushels of flaxseed basis in store Fort William/Port Arthur, or in the case of Eastern Flaxseed, in store Montreal. The cost of flaxseed stocks so acquired was \$53,171,004.94. During the crop year the Board sold 2,929,572-24 bushels of 1948-49 flaxseed valued at \$11,386,012.86. The Board still held 10,378,431-19 bushels on

July 31st, 1949 valued at \$39,407,743.64 on the basis of the Board's selling price on that date of \$3.80 per bushel for No. 1 C.W. Flaxseed basis in store Fort William/Port Arthur. The Board's deficit on July 31st, 1949 in respect to the 1948-49 flaxseed operation was \$3,806,855.19 with inventory valued basis \$3.80 per bushel for No. 1 C.W. Flaxseed in store Fort William/Port Arthur. This deficit included carrying charges and general administrative expenses amounting to \$1,429,606.75.

It should be pointed out that in addition to Board sales of 1948-49 acquisitions, the Board also sold the balance of its 1947-48 holdings, and upwards of 2.5 million bushels were marketed by the Trade outside of the Board's price support programme.

Flaxseed acquired by the Board was continuously offered for sale at or above the support price until late April, 1949 when the Board, due to competition of other exporting countries, reduced its selling price to \$3.80 per bushel basis No. 1 C.W. Flaxseed in store Fort William/Port Arthur. This selling price applied for the remainder of the crop year. Throughout the crop year, export prices for Canadian flaxseed were competitive with prices of flaxseed being quoted by other major exporting countries.

FUTURE POLICY

On March 15th, 1949 the Right Honourable C. D. Howe, after reviewing the oilseed position, announced that the Government was not prepared to encourage the production of oilseeds by establishing support prices for 1949-50 but that the position would be examined at a later date. Towards the end of the crop year the Government gave further consideration to the flaxseed position. It was felt at that time that producers should be assured of a market for the small crop of flaxseed which was being produced in 1949. On July 20th, 1949 it was announced that the Board would conduct a voluntary pooling operation during 1949-50 on the basis of an initial payment of \$2.50 per bushel basis No. 1 C.W. Flaxseed in store Fort William/Port Arthur.

PART III

SPECIAL OPERATIONS ON BEHALF OF THE GOVERNMENT OF CANADA

Rapeseed and Sunflower Seed

By authority of Order-in-Council P.C. 2717, August 25th, 1948 the Board was empowered to buy rapeseed and sunflower seed at a price to assure that producers in Western Canada would be continuously offered a price of 6 cents per pound for top grades of rapeseed and sunflower seed basis delivery points to be designated by the Board.

Rapeseed

Pursuant to the foregoing instructions, the Board was called upon to purchase practically all of 1948-49 deliveries of rapeseed by producers, this position resulting from the fact that an alternative market was not available to producers at the support price or better.

During 1948-49 the Board purchased from producers 52,411,500 pounds of rapeseed at the support price. These purchases were valued at \$3,086,003.73 and were basis country delivery points specified by the Board. Within the crop year, the Board completely disposed of its holdings of rapeseed, sales amounting to \$3,062,213.13. These sales were made in store Moose Jaw, Saskatchewan or Saskatoon, Saskatchewan.

The principal item in the operating deficit of the 1948-49 rapeseed handling was freight from country points to Moose Jaw, Saskatchewan and Saskatoon, Saskatchewan. These costs amounted to \$304,002.86. Other costs included handling, sacking, conditioning, storage, weighing and inspection, and administrative costs which totalled \$63,469.31. The sales deficit plus operating costs resulted in a deficit of \$391,262.77 as at July 31st, 1949.

Sunflower Seed

As an alternative market was available to producers of sunflower seed in 1948-49 at or higher than the floor price of 6 cents per pound for top grades, the Board did not have to purchase sunflower seed during 1948-49 and consequently there are no operations to report.

Announcement of 1949-50 Policy

On March 15th, 1949 the Right Honourable C. D. Howe, Minister of Trade and Commerce, announced that the Government was not prepared to encourage the production of oil seeds by establishing the support prices for 1949-50. While the Minister indicated that the position would be examined at a later date, no further action was taken in respect to these products.

PART IV

FINANCIAL STATEMENTS

The financial statements of The Canadian Wheat Board for the fiscal year ended July 31st, 1949 are presented in this part of the Report and consist of a Consolidated Balance Sheet (Exhibit I) which sets forth the financial position of the Board as at the foregoing date, together with other statements showing the results of Board operations to the close of the fiscal period, all as tabulated in the Index preceding the financial statements and as discussed in Parts I, II and III of this Report.

CONSOLIDATED BALANCE SHEET

The consolidated financial position of The Canadian Wheat Board as at July 31st, 1949 is set forth in Exhibit I and the details of the component items which appear on the Consolidated Balance Sheet are tabulated in Exhibits II and III.

In respect to some of the items appearing on the Consolidated Balance Sheet, the following comments are submitted:

Stocks of Cash Grain, etc.

WHEAT STOCKS

As at July 31st, 1949 the stocks of wheat held by the Board totalled 46,803,308-42 bushels, comprising stocks in store country elevators, in store terminal elevators and mills, in transit and in the custody of Agents. The inventory of wheat stocks has been valued basis \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver.

Stocks in the custody of Agents represent wheat sold provisionally to Agents of the Board for which the Board has yet to receive a final accounting in respect to the ultimate disposition of these stocks.

The Board receives an advance from its Agents for wheat sold on a provisional basis and as at July 31st, 1949 this advance was basis \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, plus an allowance of 5 cents per bushel for carrying charges.

Advances so received amounted to \$35,300,832.20 as at July 31st, 1949 and this item is shown as a liability on the Consolidated Balance Sheet. Effective October 1st, 1949 the advance receivable by the Board from its Agents on provisional sales was increased to a basis of \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, plus an allowance of 6 cents per bushel for carrying charges.

FLAXSEED STOCKS

Unsold stocks of flaxseed held by the Board as at July 31st, 1949 amounted to 10,378,431-19 bushels, comprising flaxseed in store terminal elevators and in the custody of Agents. The inventory of flaxseed stocks has been valued basis \$3.80 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur and for No. 1 Canada Eastern Flaxseed in store Montreal.

Stocks of flaxseed in the custody of Agents consist of stocks of Western flaxseed sold to Agents on a provisional basis and for which a final accounting as to ultimate disposition has yet to be received by the Board. In respect to these provisional sales of flaxseed the Board receives an advance from its Agents and at the commencement of the crop year on August 1st, 1948 this advance was basis \$4.00 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur, but subsequently the amount of the advance was reduced to a basis of \$3.80 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur. This latter basis continued in effect to July 31st, 1949. Advances so received amounted to \$15,877,751.33 as at July 31st, 1949 and this item is shown as a liability on the Consolidated Balance Sheet.

Accounts Receivable

This item consists principally of the following:

- (a) Amounts due from Agents of the Board in respect to sales which had been completed but for which final accountings were not received by the Board until subsequent to the year end date.

- (b) Amounts due from the United Kingdom Government for additional freight and winter storage costs in accordance with an arrangement negotiated under the provisions of the Canada-United Kingdom Wheat Agreement.

Grain Trade Memberships

The Board owns memberships in the Winnipeg Grain Exchange, the Vancouver Grain Exchange, the Winnipeg Grain and Produce Exchange Clearing Association Limited, and the Lake Shippers' Clearance Association. These memberships are stated at cost less recorded dividends received to July 31st, 1949.

The Canadian Wheat Board Building

Under the authority of Order-in-Council P.C. 146/2800 the Board was authorized to purchase the premises known as the Wheat Pool Building and the Stock Exchange Building situated at 423 Main Street and 407 Main Street, respectively, in the City of Winnipeg. In accordance with the provisions of this Order-in-Council the Board effected this purchase as at August 31st, 1946 from the Royal Exchange Building Corporation at a cost of \$450,000.00 for the land and buildings. During the 1947-48 crop year the buildings were renamed and the entire property is now known as "The Canadian Wheat Board Building". In this

way confusion with the name of the new premises purchased by the Wheat Pools was avoided. The change in the names of the buildings has been duly registered with the City of Winnipeg. Early in the crop year under review the Board was able to obtain the sole occupancy of The Canadian Wheat Board Building as a result of the Wheat Pools completing moving operations to their new premises.

In order to meet the requirements of Board operations, major alterations and repairs to the building were necessary and these were completed during the crop year at a cost of \$39,409.10. This amount will be amortized over a three-year period and the amount of \$13,136.36 chargeable to the 1948-49 crop year is included in the amount of \$130,333.46 as shown on Exhibit XVI. The deferred portion of these expenditures amounting to \$26,272.74 appears as a separate item on the Consolidated Balance Sheet.

In addition to the foregoing expenditures, it was necessary to install new lighting fixtures as required throughout the building and this installation was completed at a cost of \$21,495.20. The cost of these fixtures, less the appropriate depreciation, is included in the item of \$80,439.15 as shown on the Consolidated Balance Sheet. Depreciation has been provided on the building for the year ended July 31st, 1949 at the rate of 2% per annum in the amount of \$7,800.00.

Due from the Government of Canada

Details of the amount due from the Government of Canada are set forth in Exhibit V and consist of the following:

(a) Expenses incurred by the Board in the administration of Delivery Quotas and Permit Regulations for the year ended July 31st, 1949.....	\$ 94,448.93
(b) Net amount due, including interest to July 31st, 1949 on special operations undertaken by the Board on behalf of the Government of Canada for the period from March 18th, 1947 to July 31st, 1949.....	4,101,365.32
	<u>\$4,195,814.25</u>

The amount due from the Government of Canada will be paid to the Board during the 1949-50 crop year.

Bank Loans

In accordance with the provisions of Order-in-Council P.C. 919 of February 24th, 1949 the initial price paid to producers was increased from \$1.55 to \$1.75 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This increase became effective on April 1st, 1949 and under terms of the same Order the Board was directed to pay to producers the sum of 20 cents per bushel in respect of deliveries by producers to the Board on the 1945-49 Pool Account for the period from August 1st, 1945 to March 31st, 1949. This payment involved a cash distribution by the Board of \$213,445,541.88 which was commenced on April 1st, 1949. To meet this and other cash commitments, the Board as at March 31st, 1949 had funds on deposit with the chartered banks totalling \$25,051,551.87 and investments in Dominion of Canada $\frac{5}{8}$ % Treasury Notes in the amount of \$40,000,000.00. The funds provided from the foregoing sources together with funds received from daily operations of the Board, permitted the Board to meet its cash commitments from April 1st, 1949 to June 8th, 1949. On this latter date Board funds became exhausted and on June 9th, 1949 the Board commenced to borrow its daily cash requirements from the chartered banks at the established interest rate of 3% per annum compounded monthly. As at July 31st, 1949 loans from the chartered banks totalled \$23,795,698.28 and accrued interest thereon to the foregoing date amounted to \$3,911.62.

Liability to Agents

Grain companies acting as Agents of the Board accept deliveries from producers at country elevators and on behalf of the Board pay the producers basis the Board fixed initial price in effect. Settlement is not made by the Board for these purchases until delivery to the Board is completed by its Agents. The liability to Agents amounting to \$39,484,002.40 represents the amount payable by

the Board to its Agents for purchases from producers at country elevator points to July 31st, 1949 for which delivery to and settlement by the Board will be completed subsequent to the date of the Balance Sheet.

Amounts Due to Producers

Details of the amount due to producers on Emergency Wheat Receipts are as follows:

1946 Crop Emergency Wheat Receipts Outstanding.....		\$1,040,936.27
Cheques outstanding which were issued in settlement of Emergency Wheat Receipts:		
1945 Crop.....	\$ 47,915.35	
1946 Crop.....	350,945.22	398,860.57
Total.....		<u>\$1,439,796.84</u>

As at July 31st, 1949 cheques had been issued to producers in settlement of all Emergency Wheat Receipts issued on the 1945 Crop Account, but at the same date there were 675 Emergency Wheat Receipts issued on the 1946 Crop Account which remained to be forwarded by producers to the Board for payment. During the period from August 1st, 1949 to November 30th, 1949, 376 of these outstanding receipts were received by the Board and cheques forwarded to the producers in settlement. Emergency Wheat Receipts were issued on the 1946 Crop Account under the authority of Order-in-Council P.C. 1890 of May 13th, 1947 and in terms of the same Order receipts so issued are payable by the Board on or before December 31st, 1949.

Other amounts shown as due to producers consist entirely of outstanding cheques in the hands of producers which were issued on the several coarse grain equalization and adjustment payments as indicated in Exhibit XIV.

Amounts Due to Producers on Outstanding Certificates and Cheques

The details of the amounts due to producers on outstanding wheat participation certificates and cheques in respect to the final payments on the 1940 to 1944 Crop Accounts inclusive, are as follows:

	Outstanding Certificates	Outstanding Cheques	Total
1940 Crop Account.....	\$ 148,943.58	\$ 13,511.21	\$ 162,454.79
1941 Crop Account.....	80,284.31	7,398.93	87,683.24
1942 Crop Account.....	86,565.39	9,145.76	95,711.15
1943 Crop Account.....	638,469.45	64,888.57	703,358.02
1944 Crop Account.....	875,502.41	173,537.29	1,049,039.70
	<u>\$ 1,829,765.14</u>	<u>\$ 268,481.76</u>	<u>\$ 2,098,246.90</u>

During the period from August 1st, 1949 to October 31st, 1949 the Board paid \$122,006.90 in respect to the above liability of \$2,098,246.90.

Since August 1st, 1945 there have been three adjustment payments authorized in respect to producers' deliveries on the 1945-49 Pool Account as follows:

1. An adjustment payment of 10 cents per bushel applicable to deliveries by producers on the 1945-49 Pool Account for the period from August 1st, 1945 to July 31st, 1946 as authorized by Order-in-Council P.C. 3222 of July 30th, 1946.
2. An adjustment payment of 20 cents per bushel applicable to deliveries by producers on the 1945-49 Pool Account for the period from August 1st, 1945 to March 31st, 1948 as authorized by Order-in-Council P.C. 1289 of March 25th, 1948.
3. An adjustment payment of 20 cents per bushel applicable to deliveries by producers on the 1945-49 Pool Account for the period from August 1st, 1945 to March 31st, 1949 as authorized by Order-in-Council P.C. 919 of February 24th, 1949.

In respect to the foregoing payments the Board still had to disburse as at July 31st, 1949 the sum of \$23,464,971.69 which consists of the following:

	Outstanding Certificates	Outstanding Cheques	Total
10 Cent Adjustment Payment.....	\$ 179,887.59	\$ 39,221.25	\$ 219,108.84
First 20 Cent Adjustment Payment.....	2,316,539.29	833,291.48	3,149,830.77
Second 20 Cent Adjustment Payment.....	10,945,547.19	9,150,484.89	20,096,032.08
	<u>\$13,441,974.07</u>	<u>\$10,022,997.62</u>	<u>\$23,464,971.69</u>

Of the total amount outstanding the Board paid \$9,518,922.79 during the period from the Balance Sheet date to October 31st, 1949.

Accrued Expenses and Accounts Payable

The principal item included in accrued expenses and accounts payable is an amount of \$2,542,653.58 due to the Board of Grain Commissioners for Canada in respect to the Prairie Farm Assistance Act levy on the wheat adjustment payments to producers applicable to deliveries on the 1945-49 Pool Account. Of the foregoing amount, \$2,537,653.58 was paid on September 23rd, 1949.

Also included is an amount of \$153,596.91 payable by the Board to the Employee Retirement Plan of The Canadian Wheat Board. This amount consists of the contributions required under the Plan from its members and the Board for the period from July 1st, 1948 to July 31st, 1949 and which had not been paid as at the end of the fiscal year pending the appointment of a Trustee as required by the Plan. This amount, together with appropriate interest, was paid by the Board during the month of August, 1949.

The balance of accrued expenses and accounts payable comprises in the main open purchases of wheat and flaxseed and sundry accounts unpaid as at July 31st, 1949, together with accrued carrying charges, storage charges, etc. to that date.

STATEMENTS OF OPERATIONS

1945-49 Pool Account — Western Division

The operations of the Board on the 1945-49 Pool Account for the period from August 1st, 1945 to July 31st, 1949 resulted in a deficit of \$5,235,621.37 as set forth in Exhibit IV. This deficit has been determined after valuing holdings of wheat basis \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, but without provision for carrying costs, interest, etc. beyond the close of the fiscal year.

As a result of the three increases in the initial price paid to producers delivering wheat to the Board on the 1945-49 Pool Account the Board was directed to distribute the adjustment payments referred to on Page 19 of this Report in order to equalize the initial payment to producers on the 1945-49 Pool Account to March 31st, 1949 at the higher level of \$1.75 per bushel basis No. 1

Northern Wheat in store Fort William/Port Arthur or Vancouver. The total amount of these adjustment payments, together with the expenses incident to the distribution has been included in the determination of the deficit on the 1945-49 Pool Account as at July 31st, 1949.

In terms of Order-in-Council P.C. 3376 of July 28th, 1948 the price at which the Board sold wheat to millers, processors, manufacturers, feeders and dealers for domestic requirements in Canada, was increased from \$1.55 per bushel plus an allowance of 3½ cents per bushel for carrying charges, to \$2.00 per bushel plus an allowance of 5 cents per bushel for carrying charges, both prices basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This new price basis applied to sales completed on or after August 1st, 1948.

As a result of this price increase millers, processors, manufacturers and dealers were required to pay to the Board an adjustment charge of 46½ cents per bushel on all stocks of Board wheat on hand as at the close of business July 31st, 1948. Amounts collected by the Board in respect to this price adjustment have been included as revenue of the 1945-49 Pool Account.

Flaxseed Division

Under the authority of Order-in-Council P.C. 3376 of July 28th, 1948 the Board was empowered to purchase Winnipeg flaxseed futures or cash flaxseed for the purpose of assuring to producers of this grain a minimum price of \$4.00 per bushel for No. 1 Canada Western Flaxseed basis in store Fort William/Port Arthur and for No. 1 Canada Eastern Flaxseed basis in store Montreal. Marketing operations in respect to flaxseed acquired in terms of this Order resulted in a deficit to July 31st, 1949 of \$3,806,855.19 as set forth in Exhibit VII. This deficit has been determined after valuing holdings of flaxseed basis \$3.80 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur and for No. 1 Canada Eastern Flaxseed in store Montreal, but without provision for carrying costs, interest, etc. beyond the Balance Sheet date.

During the year under review marketing operations in respect to flaxseed acquired in terms of Order-in-Council P.C. 3038 of July 31st, 1947 and

P.C. 829 of February 26th, 1948 were completed and resulted in a deficit to July 31st, 1949 of \$4,590,643.02 as set forth in Exhibit VIII.. In respect to this deficit an amount of \$4,404,726.01 was paid to the Board by the Government of Canada on April 30th, 1949. Subject to interest and minor adjustments beyond the close of the fiscal year, the balance of the deficit amounting to \$185,917.01 will be paid by the Government of Canada during the 1949-50 crop year.

Oats and Barley Division

In terms of Order-in-Council P.C. 3376 of July 28th, 1948 the Board was empowered to purchase Winnipeg oats and barley futures and cash grains for the purpose of assuring to producers of these grains in Western Canada a minimum price for their products. Since the prices for oats and barley registered on the Winnipeg Grain Exchange for the fiscal year under review remained above the minimum prices established under this Order, there were no transactions on oats and barley futures and cash grains.

As authorized by Order-in-Council P.C. 1891 of May 14th, 1947 the Board levied and collected equalization fees on the exportation of oats and barley during the 1947-48 crop year. Transactions on the 1947 Oats Equalization Fund and the 1947 Barley Equalization Fund resulted in final payments to producers of \$4,269,706.84 and \$4,402,527.75 respectively, as set forth in Exhibit IX. The total payment of \$8,672,234.59 was distributed at the rate of 5.881 cents per bushel for oats and 6.780 cents per bushel for barley. Cheques were issued for the total amount of these payments on March 7th, 1949 in respect to deliveries by producers for the period from August 1st, 1947 to October 21st, 1947, both dates inclusive, and on May 2nd, 1949 in respect to deliveries by producers for the period from October 22nd, 1947 to July 31st, 1948, both dates inclusive. As at July 31st, 1949 final payment cheques totalling \$8,207,272.19 had been cashed by producers as set forth in Exhibit XIV. Expenses estimated and incurred incident to the issuance of these payments are set forth in Exhibit XV.

Order-in-Council P.C. 1292 provided that oats and barley stocks, whole or processed, in commercial channels in Canada as at March 17th, 1947, be vested in the Board. A substantial

amount of the oats and barley delivered to the Board under the terms of this Order was delivered under protest, and as at July 31st, 1948, 40,000 bushels of barley still had not been delivered to the Board. An action was commenced by the Board to recover possession of this barley and the documents relating thereto for the Crown pursuant to the terms of the said Order. The action was heard in March, 1948 by the Chief Justice of the Court of King's Bench in Winnipeg, and in his Judgment the Board's claim to the barley was dismissed. An appeal from this Judgment to the Court of Appeal of Manitoba was dismissed on March 10th, 1949 and at the date of this Report a further appeal has been launched and is pending in the Supreme Court of Canada.

Transactions in oats and barley acquired under this Order resulted in a surplus of \$6,727,573.71 to July 31st, 1949 as set forth in Exhibit X. In terms of the Order this surplus is payable to the Consolidated Revenue Fund of the Government of Canada and an amount of \$6,324,789.99 was remitted to Ottawa on March 31st, 1948. Subject to interest and minor adjustments beyond the close of the fiscal year the balance of the surplus, amounting to \$402,783.72, will be paid to the Government of Canada as required by the Order.

Rapeseed and Sunflower Seed Division

Order-in-Council P.C. 3717 of August 25th, 1948 authorized the Board as an Agent of the Crown to purchase rapeseed and sunflower seed for the purpose of assuring producers in Western Canada a minimum price for their products. The Board purchased 52,411,500 pounds of rapeseed from producers in terms of this Order. Marketing operations in respect to rapeseed so acquired were completed during the crop year under review and resulted in a deficit to July 31st, 1949 of \$391,262.77, as set forth in Exhibit XI. Subject to interest and minor adjustments beyond the Balance Sheet date this deficit will be paid by the Government of Canada during the 1949-50 crop year.

Pursuant to this Order the Board entered into an agreement with the Co-Operative Vegetable Oils Limited of Altona, Manitoba, whereby the latter agreed to purchase all sunflower seed produced in the designated area and offered for sale by producers, at or in excess of the guaranteed minimum price. In view of these arrangements,

therefore, there were no transactions in sunflower seed recorded in the Board accounts during the fiscal year under review.

Refund Account

As authorized by Order-in-Council P.C. 3376 of July 28th, 1948, and effective on and after August 1st, 1948, the price at which the Board sold wheat to millers, processors, feeders and dealers for domestic requirements in Canada, was increased from \$1.55 per bushel, plus an allowance of 3½ cents per bushel for carrying charges to \$2.00 per bushel plus an allowance of 5 cents per bushel for carrying charges, both prices basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. In terms of the same Order the Board was directed to pay, on behalf of the Government of Canada, a refund of 45 cents per bushel to flour millers and wheat processors on all western wheat flour and western wheat products sold and delivered for domestic human consumption on and after August 1st, 1948, and which had been produced from western wheat purchased at the increased price level of \$2.00 per bushel, plus an allowance of 5 cents per bushel for carrying charges, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. The amount of refund was subsequently increased to 46½ cents per bushel effective September 1st, 1948, as authorized by Order-in-Council P.C. 4287 of September 29th, 1948. Refund payments were discontinued effective as at midnight, March 22nd, 1949, in accordance with the provisions of Order-in-Council P.C. 1458 of March 29th, 1949. The results of operations on this account to July 31st, 1949 are set forth in Exhibit

XIII. Order-in-Council P.C. 3376 of July 28th, 1948 also provided that the Government of Canada would reimburse the Board for the amount of all refunds paid by the Board, the interest thereon, and for the expenses incurred by the Board in the administration of the refund regulations.

Drawback Account

Drawback regulations administered by the Board in accordance with the provisions of various Orders-in-Council issued by the Government of Canada were revoked effective as at midnight, September 13th, 1947, under terms of Order-in-Council P.C. 4145 of October 17th, 1947. As at July 31st, 1949 there were a number of transactions on Drawback Account still to be finalized. The results of drawback operations for the crop year under review are set forth in Exhibit XII. The amount shown as "Refund of excess profits" represents the recorded receipts from the Commodity Prices Stabilization Corporation Limited during the 1948-49 fiscal year.

Schedule of Administrative and General Expenses

The total expenditures under this heading for the year under review amounted to \$2,071,655.32, comprising expenses incurred at the Winnipeg, Calgary, Vancouver, Toronto, Washington (United States) and London (England) offices of the Board. Details of these expenditures and the allocations to Board operations and to operations conducted by the Board on behalf of the Government of Canada are set forth in Exhibit XVI.

In this Report and in the financial statements which follow, we have endeavoured to describe the administration of wheat policy, other operations under The Canadian Wheat Board Act and special operations on behalf of the Government of Canada.

In conclusion we would like to record our appreciation of the loyal and conscientious service rendered by the staff of the Board.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

T. W. GRINDLEY,
Commissioner

Winnipeg, Manitoba
December 15th, 1949.

THE CANADIAN WHEAT BOARD
INDEX TO FINANCIAL STATEMENTS
31st July 1949

<i>Exhibit I.</i>	<i>Consolidated Balance Sheet.</i>
<i>Exhibit II.</i>	<i>Statement of Assets and Liabilities.</i>
<i>Exhibit III.</i>	<i>Statement of Assets and Liabilities — Coarse Grains and Sundry Accounts.</i>
<i>Exhibit IV.</i>	<i>Statement of Operations, 1945-49 Pool Account, Western Division.</i>
<i>Exhibit V.</i>	<i>Statement of Amounts due from and due to the Government of Canada.</i>
<i>Exhibit VI.</i>	<i>Statement of Funds remitted to and Funds received from the Government of Canada.</i>
<i>Exhibit VII.</i>	<i>Statement of Operations, 1948 Crop Account, Flax Division.</i>
<i>Exhibit VIII.</i>	<i>Statement of Operations, 1947 Crop Account, Flax Division.</i>
<i>Exhibit IX.</i>	<i>Statement of 1947 Oats and Barley Equalization Funds.</i>
<i>Exhibit X.</i>	<i>Statement of Operations, Oats and Barley Account — P.C. 1292.</i>
<i>Exhibit XI.</i>	<i>Statement of Operations, 1948 Rapeseed Account.</i>
<i>Exhibit XII.</i>	<i>Statement of Drawback Account for the year ended 31st July 1949.</i>
<i>Exhibit XIII.</i>	<i>Statement of Refund Account for the year ended 31st July 1949.</i>
<i>Exhibit XIV.</i>	<i>Statement of Final Payments to Producers.</i>
<i>Exhibit XV.</i>	<i>Statement of Provisions for Final Payment Expenses.</i>
<i>Exhibit XVI.</i>	<i>Schedule of Administrative and General Expenses and Allocations to Operations for the year ended 31st July 1949.</i>

THE CANADIAN
CONSOLIDATED
As at 31st

A S S E T S

Funds on deposit		\$ 4,283.8
Stocks of cash grain, etc. — (In terms of inventories prepared by responsible officials):		
Wheat stocks (valued on the basis of \$2.00 per bushel for One Northern in store Fort William/Port Arthur or Vancouver).....	\$93,200,829.48	
Flax stocks (valued at \$3.80 per bushel for No. 1 Canada Western Flaxseed basis in store Fort William/Port Arthur and for No. 1 Canada Eastern Flaxseed basis in store Montreal).....	<u>39,407,743.64</u>	132,608,573.1
Accounts receivable		6,566,441.6
Memberships — In the Winnipeg and Vancouver Grain Ex- changes, the Winnipeg Grain and Produce Exchange Clearing Association, and the Lake Shippers' Clearance Association		12,753.0
The Canadian Wheat Board Building, Winnipeg, at cost less depreciation		426,600.0
Deferred expenditures re building alterations.....		26,272.7
Office furniture, equipment and automobiles, at cost less depreciation.....		80,439.7
Due from the Government of Canada.....		4,195,814.5
Deficit on 1945-49 Pool Account to 31st July 1949.....		5,235,621.5
		<u>\$149,156,799.5</u>

Approved:

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

T. W. GRINDLE
Commissioner

WHEAT BOARD BALANCE SHEET July 1949

LIABILITIES

Liability to Banks — demand loans.....	\$23,795,698.28	
— accrued interest thereon.....	3,911.62	\$ 23,799,609.90
	<hr/>	
Liability to Agents for wheat purchased from Producers but not yet delivered to the Board.....		39,484,002.40
Accounts due to Producers:		
Western Division:		
Emergency wheat receipts.....	1,439,796.84	
Balance outstanding on Coarse Grain equalization funds and adjustment payments.....	563,438.10	
Eastern Division:		
Balance of final payments on Ontario wheat equalization funds.....	5,793.09	2,009,028.03
	<hr/>	
Accounts due to Producers on outstanding certificates and cheques:		
Western Division:		
Balance of final payments on 1940 to 1944 Wheat Crop Accounts.....	2,098,246.90	
Balance of wheat adjustment payments on Producers' deliv- eries from 1st August 1945 to 31st March 1949.....	23,464,971.69	
Eastern Division:		
Balance of final payments on 1939 and 1940 Wheat Crop Accounts.....	4,898.44	25,568,117.03
	<hr/>	
Provisions for final payment expenses.....		1,122,807.87
Drawback Account — balance of appropriations.....		45,393.84
Advances received on stocks in custody of Agents:		
Wheat.....	35,300,832.20	
Tax.....	15,877,751.33	51,178,583.53
	<hr/>	
Accrued expenses and accounts payable.....		5,949,256.60
		<hr/>
		<hr/>
		\$149,156,799.20

*This is the Consolidated Balance Sheet which is referred to in our
report of this date.*

Winnipeg, Manitoba,
11 December, 1949.

MILLAR, MACDONALD & CO.
Chartered Accountants
Auditors.

THE CANADIAN
STATEMENT OF ASSETS
As at 31

ASSETS

Funds on deposit.....	
Stocks of cash grain, etc:	
Wheat stocks.....	
Flax stocks.....	
Accounts receivable.....	
Grain trade memberships.....	
The Canadian Wheat Board Building, Winnipeg.....	
Deferred expenditures re building alterations.....	
Office furniture, equipment and automobiles.....	
Due from the Government of Canada.....	
Deficit resulting from operations — 1945-49 Pool Account.....	

LIABILITIES

Liability to Banks — demand loans.....	
— accrued interest thereon.....	
Liability to Agents for wheat purchased from Producers but not yet delivered to the Board.....	
Amounts due to Producers:	
Western Division — Emergency wheat receipts — P.C. 1243 and 1890.....	
— Balance outstanding on Coarse Grains equalization funds and adjustment payments — (Exhibit XIV).....	
Eastern Division — Balance of final payments on Ontario wheat equalization funds — (Exhibit XIV)	
Amounts due to Producers on outstanding certificates and cheques:	
Western Division — Balance of final payments on 1940 to 1944 Wheat Crop Accounts— (Exhibit XIV).....	
— Balance of wheat adjustment payments on Producers' deliveries from 1st August 1945 to 31st March 1949.....	
Eastern Division — Balance of final payments on 1939 and 1940 Wheat Crop Accounts.....	
Provisions for final payment expenses — (Exhibit XV).....	
Drawback Account — balance of appropriations — (Exhibit XII).....	
Advances received on Agency wheat and flax stocks.....	
Accrued expenses and accounts payable.....	
Amounts due to and from other Board accounts.....	

WHEAT BOARD AND LIABILITIES July 1949

<u>1945-49 Pool Account</u>	<u>1940 to 1944 Wheat Crops Final Payment Accounts</u>	<u>Coarse Grains and Sundry Accounts (Exhibit III)</u>	<u>Totals for Consolidated Balance Sheet</u>
4,283.83			\$ 4,283.83
93,200,829.48			93,200,829.48
		\$39,407,743.64	39,407,743.64
6,527,310.96		39,130.69	6,566,441.65
12,753.09			12,753.09
426,600.00			426,600.00
26,272.74			26,272.74
80,439.15			80,439.15
94,448.93		4,101,365.32	4,195,814.25
5,235,621.37			5,235,621.37
<u>105,608,559.55</u>	<u>—</u>	<u>\$43,548,239.65</u>	<u>\$149,156,799.20</u>
23,795,698.28			\$ 23,795,698.28
3,911.62			3,911.62
39,484,002.40			39,484,002.40
1,439,796.84			1,439,796.84
		\$ 563,438.10	563,438.10
5,793.09			5,793.09
	\$2,098,246.90		2,098,246.90
23,464,971.69			23,464,971.69
4,898.44			4,898.44
842.71	903,252.99	218,712.17	1,122,807.87
		45,393.84	45,393.84
35,300,832.20		15,877,751.33	51,178,583.53
3,839,078.17		2,110,178.43	5,949,256.60
21,731,265.89)	(3,001,499.89)	24,732,765.78	—
<u>105,608,559.55</u>	<u>\$ —</u>	<u>\$43,548,239.65</u>	<u>\$149,156,799.20</u>

THE CANADIAN
STATEMENT OF ASSETS
COARSE GRAINS AND
As at 31st

ASSETS

Stocks of flax on hand.....
Accounts receivable.....
Due from the Government of Canada — (Exhibit V).....

LIABILITIES

Amounts due to Producers:
 Balance outstanding on Coarse Grains equalization funds and adjustment payments —
 (Exhibit XIV).....
Provisions for final payment expenses — (Exhibit XV).....
Drawback Account — balance of appropriations — (Exhibit XII).....
Advances received on Agency flax stocks.....
Accrued expenses and accounts payable.....
Amounts due to other Board accounts.....

WHEAT BOARD
AND LIABILITIES
SUNDRY ACCOUNTS
July 1949

<u>Flax Division</u>	<u>Oats and Barley Division</u>	<u>Rapeseed Division</u>	<u>Drawback and Refund Accounts</u>	<u>Total</u>
9,407,743.64				\$39,407,743.64
39,130.69				39,130.69
3,992,772.20	(\$ 402,783.72)	\$391,262.77	\$120,114.07	4,101,365.32
<u>3,439,646.53</u>	<u>(\$ 402,783.72)</u>	<u>\$391,262.77</u>	<u>\$120,114.07</u>	<u>\$43,548,239.65</u>
9,854.27	\$ 553,583.83			\$ 563,438.10
3,556.28	215,155.89			218,712.17
			\$ 45,393.84	45,393.84
5,877,751.33				15,877,751.33
2,110,178.43				2,110,178.43
5,438,306.22	(1,171,523.44)	391,262.77	74,720.23	24,732,765.78
<u>3,439,646.53</u>	<u>(\$ 402,783.72)</u>	<u>\$391,262.77</u>	<u>\$120,114.07</u>	<u>\$43,548,239.65</u>

THE CANADIAN
1945-49 Pool Account
STATEMENT OF
For the period from 1st August

Wheat acquired:

Delivered or to be delivered by Agents on behalf of Producers at Board initial fixed prices basis
\$1.75 per bushel for One Northern in store Fort William/Port Arthur or Vancouver.....

Purchases of overages at terminal and country elevators, salvage wheat, and wheat produced
in non-designated areas, etc., at prevailing Board fixed prices.....

Wheat sold:

Completed sales at realized prices, basis in store Fort William/Port Arthur or Vancouver:

Domestic.....

Export sales at Class II prices.....

United Kingdom Government, Wheat Agreement for 1946-47, 1947-48 and 1948-49.....

Weight losses in transit and in drying and reconditioning

Add: Additional differential charges, storage and interest, etc., recovered.....

Net proceeds from sales.....

Stocks of wheat, valued on the basis of \$2.00 per bushel for One Northern in store Fort William/
Port Arthur or Vancouver:

On hand.....

In the custody of Agents.....

Surplus on cash wheat transactions.....

Deduct: Funds transferred to the 1944 Crop Account under authority of Order-in-Council P.C.
4869 of 26th November 1946, so that the provision of wheat for domestic purposes
shall be more equitably divided between the 1944 and 1945 Crop Accounts.....

Deduct: Carrying costs, interest, administrative and general expenses, etc.

Carrying charges:

Carrying charges on wheat stored in country elevators.....

Storage on wheat stored in terminal elevators and mills.....

Interest and bank charges (net of loss on sale of Bonds).....

Net additional freight on wheat shipped to Fort William/Port Arthur from points
tributary to Vancouver.....

Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....

Drying, reconditioning charges, grade adjustments, etc.....

Administrative and general expenses to 31st July 1948.....

Add: Proportion of administrative and general expenses for the year ended
31st July 1949.....

Deficit on operations.....

Add: Additional costs re adjustment payments:

Commissions and exchange, etc., paid to banks, payors and Agents.....

Proportion of administrative and general expenses.....

Deficit on operations of the Board on 1945-49 Pool Account, Western Division, for the period from
1st August 1945 to 31st July 1949.....

HEAT BOARD

Western Division

OPERATIONS

45 to 31st July 1949

Bushels		Amount	
7,547,253-00		\$1,897,521,930.16	
<u>7,850.335-08</u>	<u>1,115,397,588-08</u>	<u>9,655,248.83</u>	\$1,907,177,178.99
4,090,130-20			
7,738,438-13		\$316,324,421.02	
5,915,258-13		716,433,254.07	
850,452-40	1,068,594,279-26	803,224,623.06	
		—	
		<u>1,835,982,298.15</u>	
		30,796,156.55	
		<u>1,866,778,454.70</u>	
9,231,107-30			
<u>7,572,201-12</u>	46,803,308-42	58,778,607.51	
		<u>34,422,221.97</u>	
	<u>1,115,397,588-08</u>	<u>93,200,829.48</u>	1,959,979,284.18
			52,802,105.19
			12,000,000.00
			<u>40,802,105.19</u>
		31,884,262.20	
		<u>7,221,335.30</u>	
		39,105,597.50	
		197,128.03	
		2,419.52	
		200,772.64	
		1,189,981.57	
	2,574,625.67		
	<u>1,273,183.40</u>	<u>3,847,809.07</u>	44,543,708.33
			3,741,603.14
		591,910.38	
		<u>902,107.85</u>	1,494,018.23
			<u>\$ 5,235,621.37</u>

Exhibit V

THE CANADIAN WHEAT BOARD
STATEMENT OF AMOUNTS DUE FROM AND DUE TO
THE GOVERNMENT OF CANADA
As at 31st July 1949

Due from the Government of Canada:

1947 Crop Account, Flax Division:

Balance of deficit resulting from operations for the period 1st August 1947
to 31st July 1949 — (Exhibit VIII)..... \$ 185,917.01

1948 Crop Account, Flax Division:

Deficit resulting from operations for the year ended 31st July 1949 —
(Exhibit VII)..... 3,806,855.19

1948 Crop Rapeseed Account:

Deficit resulting from operations for the year ended 31st July 1949 —
(Exhibit XI)..... 391,262.77

Refund Account, P.C. 3376 and 4287 — (Exhibit XIII)..... 120,114.07

Delivery Quotas and Permit Regulations..... 94,448.93

4,598,597.97

Due to the Government of Canada:

Oats and Barley Account — P.C. 1292:

Balance of surplus resulting from operations for the period 18th March 1947
to 31st July 1949 — (Exhibit X)..... 402,783.72

\$4,195,814.25

THE CANADIAN WHEAT BOARD
STATEMENT OF FUNDS REMITTED TO AND FUNDS
RECEIVED FROM THE GOVERNMENT OF CANADA
During the year ended 31st July 1949

Funds remitted to the Government of Canada:

1947 Ontario Wheat Payment Account:

Surplus resulting from operations for the year ended 31st July 1948.....	\$ 95,985.15	
Add: Interest to 31st March 1949.....	955.54	\$ 96,940.69
		<hr/>

1946 Crop Account, Flax Division:

Balance of surplus resulting from operations for the period 1st August 1946 to 31st July 1948.....	22,284.56	
Add: Interest to 31st March 1949.....	221.84	22,506.40
		<hr/>

Total payments to the Government of Canada		<u>\$ 119,447.09</u>
--	--	----------------------

Funds received from the Government of Canada:

1947 Crop Account, Flax Division:

Deficit resulting from operations for the year ended 31st July 1948.....	\$4,355,896.42	
Add: Interest to 30th April 1949.....	48,829.59	\$4,404,726.01
		<hr/>

Administrative and general expenses applicable to delivery quotas and permit regulations, etc.....	125,533.06	
Add: Interest to 30th April 1949.....	1,407.23	126,940.29
		<hr/>

Disbursements incidental to the marketing of domestic wheat during the period 1st August 1946 to 17th February 1947 pursuant to Section 18 (3) of Order-in-Council P.C. 3222 dated 30th July 1946.....	1,191,920.11	
Add: Interest to 30th April 1949.....	13,361.40	1,205,281.51
		<hr/>

Total receipts from the Government of Canada		<u>\$5,736,947.81</u>
--	--	-----------------------

THE CANADIAN
1948 Crop Account, Flax Division
STATEMENT OF RESULTS
For the year ended 31st July 1949

Flax acquired:

Purchased at Board support prices basis in store Fort William/Port Arthur or Montreal
Purchased from 1947 Crop Account at Board fixed prices 31st July 1949, basis in store
Fort William/Port Arthur or Montreal.....

Flax sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Montreal.....
Stocks of flax, valued at \$3.80 per bushel for No. 1 Canada Western Flaxseed basis in store
Fort William/Port Arthur and for No. 1 Canada Eastern Flaxseed basis in store Montreal:
On hand.....
In the custody of Agents.....

Deficit on cash flax transactions.....

Add: Carrying costs, interest, administrative and general expenses, etc:

Storage on flax stored in terminal elevators.....
Interest and bank charges.....
Handling and stop-off charges.....
Drying, reconditioning charges, etc.....
Administrative and general expenses to 31st July 1949.....

Deficit from the operations of the Board on 1948 Crop Account, Flax Division, for the year
ended 31st July 1949

HEAT BOARD
 Division—P.C. 3376
 OPERATIONS
 1st July 1949

Bushels		Amount	
3,209,235-07		\$52,811,673.89	
<u>98,768-36</u>	<u>13,308,003-43</u>	<u>359,331.05</u>	\$53,171,004.94
	2,929,572-24	11,386,012.86	
6,249,375-05	\$23,717,329.82		
<u>4,129,056-14</u>	<u>10,378,431-19</u>	<u>15,690,413.82</u>	<u>39,407,743.64</u>
	<u>13,308,003-43</u>		50,793,756.50
			<u>2,377,248.44</u>
		841,919.91	
		552,660.64	
		7,881.72	
		(803.13)	
		<u>27,947.61</u>	<u>1,429,606.75</u>
			<u>\$ 3,806,855.19</u>

THE CANADIAN
1947 Crop Account, Flax Division
STATEMENT OF DEFICIT
For the period from 1st August 1947 to 31st July 1949

Flax acquired:

Delivered at Board fixed prices basis in store Fort William/Port Arthur, Vancouver or Montreal.....

Purchased from 1946 Crop Account at Board fixed prices 31st July 1948, basis in store
Fort William/Port Arthur

Flax sold:

Completed sales at realized prices basis in store Fort William/Port Arthur, Vancouver or Montreal.....

Deficit on cash flax transactions.....

Add: Carrying costs, interest, administrative and general expenses, etc.

Carrying charges:

Carrying charges on flax stored in country elevators.....

Storage on flax stored in terminal elevators.....

Interest and bank charges.....

Handling and stop-off charges, etc.....

Drying and reconditioning charges.....

Administrative and general expenses to 31st July 1948.....

Add: Proportion of administrative and general expenses for the year ended 31st July 1949.....

Deficit on operations.....

Add: Costs re Fifty Cent adjustment payment:

Commissions and exchange, etc.....

Administrative and general expenses to 31st July 1948.....

**Deficit from the operations of the Board on 1947 Crop Account, Flax Division, for the period from
1st August 1947 to 31st July 1949.....**

**Note: In respect of the deficit shown above, The Canadian Wheat Board received \$4,404,726.01
from the Government of Canada on 30th April 1949.**

HEAT BOARD
Division—P.C. 3038 and 829
OPERATIONS
47 to 31st July 1949

Bushels		Amount	
0,929,892-54		\$59,722,926.59	
5,003-07	10,934,896-05	22,789.24	\$59,745,715.83
	<u>10,934,896-05</u>		56,293,311.28
			3,452,404.55
	\$381,183.96		
	<u>280,802.28</u>	661,986.24	
		388,523.46	
		15,730.73	
		5,434.10	
	40,750.46		
	<u>6,317.46</u>	<u>47,067.92</u>	<u>1,118,742.45</u>
			4,571,147.00
		11,413.70	
		<u>8,082.32</u>	<u>19,496.02</u>
			<u>\$ 4,590,643.02</u>

Exhibit IX

THE CANADIAN WHEAT BOARD
 STATEMENT OF 1947 OATS AND BARLEY
 EQUALIZATION FUNDS - P.C. 1891 and 5207
 For the period from 1st August 1947 to 15th March 1949

	Oats Equalization Fund	Barley Equalization Fund	Total
Equalization fees collected.....	\$4,278,733.12	\$4,421,267.02	\$8,700,000.14
Interest credited on surplus funds.....	34,947.91	23,305.79	58,253.70
	<u>4,313,681.03</u>	<u>4,444,572.81</u>	<u>8,758,253.84</u>
Deduct: Bank charges.....	10.08	1.47	11.55
Commission paid to Agent.....	1,250.00	1,250.00	2,500.00
Administrative and general expenses.....	6,835.24	4,914.72	11,749.96
Provision for final payment expenses.....	35,878.87	35,878.87	71,757.74
	<u>43,974.19</u>	<u>42,045.06</u>	<u>86,019.25</u>
Payable to Producers:			
Surplus on Oats and Barley Equalization Funds, as at 15th March 1949	<u>\$4,269,706.84</u>	<u>\$4,402,527.75</u>	<u>\$8,672,234.59</u>

Bushel summary:

	Bushels	
	Oats	Barley
Number of bushels on which equalization fees were collected	<u>12,372,002</u>	<u>6,881,998</u>

THE CANADIAN WHEAT BOARD
1946 Oats and Barley Account - P.C. 1292
STATEMENT OF OPERATIONS
For the year ended 31st July 1949

Surplus on 1946 Oats and Barley Account — P.C. 1292, to 31st July 1948.....	\$6,732,368.64
Add: Interest earned during the year on balance of surplus funds.....	7,076.85
	<hr/> 6,739,445.49
Deduct: Administrative and general expenses for the year ended 31st July 1949.....	11,871.78
	<hr/>
Surplus from the operations of the Board on Oats and Barley Account — P.C. 1292, for the period from inception (18th March 1947) to 31st July 1949.....	<u>\$6,727,573.71</u>

Note: In respect of the surplus shown above, The Canadian Wheat Board paid \$6,324,789.99 to the Government of Canada on 31st March 1948.

THE CANADIAN
1948 Crop Rapeseed
STATEMENT
For the year ended 31st July 1949

Rapeseed acquired:

Delivered at Board fixed prices basis f.o.b. shipping points

Rapeseed sold:

Completed sales at realized prices basis f.o.b. crusher plants

Weight losses in drying and reconditioning

Deficit on rapeseed transactions exclusive of transportation costs from country points to crusher plants.....

Add: Carrying costs, handling and transportation costs, interest, administrative and general expenses, etc.

Storage on rapeseed stored in country and terminal elevators

Interest and bank charges

Handling and cleaning charges

Dockage, moisture and mustard testing of rapeseed prior to purchase from Producers

Freight and transportation charges, etc., from country shipping points to crusher plants

Administrative and general expenses

Deficit from the operations of the Board on 1948 Crop Rapeseed Account for the year ended 31st July 1949.....

EAT BOARD
 Count—P.C. 3717
 ERATIONS
 July 1949

Pounds		Amount
	<u>52,411,500</u>	\$3,086,003.73
52,133,739		\$3,062,213.13
<u>277,761</u>	<u>52,411,500</u>	<u>—</u>
		<u>3,062,213.13</u>
		23,790.60
		13,559.49
		7,696.25
		25,320.35
		8,040.09
		304,002.86
	<u>8,853.13</u>	<u>367,472.17</u>
		<u>\$ 391,262.77</u>

Exhibit XII

THE CANADIAN WHEAT BOARD
STATEMENT OF DRAWBACK ACCOUNT
For the year ended 31st July 1949

Balance of appropriations and net interest earned as at 31st July 1948.....		\$1,711,478.54
Add: Refund of excess profits received from the Commodity Prices Stabilization Corporation Limited.....	\$131,327.59	
Interest earned on funds on hand, less interest expense.....	6,441.04	137,768.63
		<u>1,849,247.17</u>
Deduct: Drawback paid to millers and processors of wheat products.....	2,863.43	
Proportion of administrative and general expenses for the year ended 31st July 1949	989.90	3,853.33
		<u>1,845,393.84</u>
Deduct: Appropriations returned to the Government of Canada on 5th May 1949.....		<u>1,800,000.00</u>
Balance of appropriations and net interest earned, as at 31st July 1949..		<u>\$ 45,393.84</u>

THE CANADIAN WHEAT BOARD
STATEMENT OF REFUND ACCOUNT - P.C. 3376 and 4287
For the year ended 31st July 1949

Appropriation received from the Receiver General of Canada on 30th April 1949.....		\$11,000,000.00
Deduct: Refund paid to millers and processors of wheat products.....	\$11,098,572.95	
Less: Refund payments recovered from purchasers other than processors	47,781.98	
Net refunds.....	11,050,790.97	
Add: Interest and bank charges.....	40,358.95	
Administrative and general expenses for the year ended 31st July 1949	28,964.15	11,120,114.07
Due from the Government of Canada, as at 31st July 1949.....		<u>\$ 120,114.07</u>

Note: On 11th August 1949 the Board received a further appropriation from the Receiver General amounting to \$350,000.00.

THE CANADIAN
STATEMENT OF FINANCE
To 31

1940 Wheat Crop Account.....	
1941 Wheat Crop Account.....	
1942 Wheat Crop Account.....	
1943 Wheat Crop Account.....	
1944 Wheat Crop Account.....	
Total Wheat — Western Division.....	
1944 Ontario Wheat Equalization Fund — P.C. 1638.....	
1945 Ontario Wheat Equalization Fund — P.C. 4646.....	
Total Wheat — Eastern Division.....	
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	
1944 Crop Barley Equalization Fund — P.C. 5998.....	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	
1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	
1946 Crop Barley Adjustment Payment — P.C. 1292.....	
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	
Total — Coarse Grains.....	
Total — all Accounts.....	

HEAT BOARD

YMENTS TO PRODUCERS

y 1949

<u>Total Amounts Payable to Producers</u>	<u>Cheques Cashd by Producers to 31st July 1949</u>	<u>Balances Payable to Producers as at 31st July 1949</u>
26,081,800.16	\$ 25,919,345.37	\$ 162,454.79
15,305,476.69	15,217,793.45	87,683.24
19,692,770.12	19,597,058.97	95,711.15
36,725,167.12	36,021,809.10	703,358.02
66,019,001.69	64,969,961.99	1,049,039.70
<u>163,824,215.78</u>	<u>161,725,968.88</u>	<u>2,098,246.90</u>
188,226.09	185,419.80	2,806.29
262,114.91	259,128.11	2,986.80
<u>450,341.00</u>	<u>444,547.91</u>	<u>5,793.09</u>
1,570,750.97	1,565,886.71	4,864.26
8,867,004.74	8,846,078.17	20,926.57
6,106,932.94	6,087,443.29	19,489.65
3,762,008.54	3,729,919.19	32,089.35
8,672,234.59	8,207,272.19	464,962.40
5,305,206.90	5,293,955.30	11,251.60
4,687,839.30	4,677,985.03	9,854.27
<u>38,971,977.98</u>	<u>38,408,539.88</u>	<u>563,438.10</u>
<u>203,246,534.76</u>	<u>\$200,579,056.67</u>	<u>\$2,667,478.09</u>

THE CANADIAN STATEMENT OF PROVISIONS To 3

	Original Provisions	Payment Co and Othe Adjustment 31st July 1
1940 Wheat Crop Account.....	\$ 320,850.00	\$ 421,74
1941 Wheat Crop Account.....	178,250.00	241,92
1942 Wheat Crop Account.....	213,900.00	277,81
1943 Wheat Crop Account.....	495,000.00	231,91
1944 Wheat Crop Account.....	552,500.00	231,44
Total Wheat — Western Division.....	<u>1,760,500.00</u>	<u>1,404,84</u>
1944 Ontario Wheat Equalization Fund — P.C. 1638.....	13,751.58	13,28
1945 Ontario Wheat Equalization Fund — P.C. 4646.....	13,684.48	16,43
Total Wheat — Eastern Division.....	<u>27,436.06</u>	<u>29,72</u>
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	73,866.70	59,14
Prairie Farm Assistance Act levy cancelled.....	—	—
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	100,798.49	93,83
1944 Crop Barley Equalization Fund — P.C. 5998.....	75,738.31	69,14
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	55,095.30	54,81
1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	71,757.74	—
1946 Crop Barley Adjustment Payment — P.C. 1292.....	37,057.21	34,18
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	24,496.02	19,49
Total — Coarse Grains.....	<u>438,809.77</u>	<u>330,62</u>
Total — all Accounts.....	<u>\$2,226,745.83</u>	<u>\$1,765,19</u>

Note: Interest credits on surplus funds, 1940, 1941 and 1942 Wheat Crop Accounts, have been reduced by an amount of \$395,507.00 which was contributed to the Employee Retirement Plan and which represents the Board's liability for past service benefits prior to 1st July 1948, as authorized by Order-in-Council P.C. 1/6044 of 29th December 1948 and Order-in-Council P.C. 218/1255 of 16th March 1949.

TEAT BOARD R FINAL PAYMENT EXPENSES r 1949

ment Costs ar Ended July 1949	Exchange, Commissions and Other Adjustments 1948-49 Year	Balance of Original Provisions	Interest Credits on Surplus Funds to 31st July 1949	Balance as at 31st July 1949
2,626.89	\$ 77.34	(\$103,603.27)	\$193,696.19	\$ 90,092.92
1,388.16	17.12	(65,084.52)	139,654.32	74,569.80
1,499.26	21.22	(65,431.42)	176,903.55	111,472.13
9,191.39	2,346.22	211,545.67	171,605.15	383,150.82
7,297.15	8,405.06	275,355.33	(31,388.01)	243,967.32
2,002.85	10,866.96	252,781.79	650,471.20	903,252.99
89.11	.61	377.15	1,744.54	2,121.69
151.49	2.76	(2,906.28)	1,627.30	(1,278.98)
240.60	3.37	(2,529.13)	3,371.84	842.71
124.81	(123.87)	14,722.56	22,964.84	
—	—	—	15,707.52	53,394.92
760.90	6.60	6,194.00	80,933.89	87,127.89
838.25	63.58	5,688.04	38,569.97	44,258.01
2,678.46	742.61	(3,143.13)	8,521.99	5,378.86
4,291.88	23,248.41	14,217.45	8,359.10	22,576.55
919.99	77.36	1,878.34	541.32	2,419.66
1,258.67	261.92	3,479.41	76.87	3,556.28
0,872.96	24,276.61	43,036.67	175,675.50	218,712.17
3,116.41	\$35,146.94	\$293,289.33	\$829,518.54	\$1,122,807.87

THE CANADIAN
SCHEDULE OF ADMINISTRATION
AND ALLOCATIONS
For the year ended

Administrative and general expenses:

Salaries — Board members, officers and staff.....	\$1,385,734.58
Unemployment insurance.....	9,246.11
Advisory Committee — travelling expenses and per diem allowance.....	4,494.35
Rental and lighting of offices, including maintenance of The Canadian Wheat Board Building, Winnipeg.....	130,333.46
Telephone — exchange service and long distance calls.....	25,003.16
Telegrams and cables.....	21,856.13
Postage.....	75,254.65
Printing and stationery.....	88,766.16
Office supplies and expenses.....	21,718.51
Travelling expenses.....	36,415.22
Travelling expenses — Inspectors.....	34,711.23
Legal fees and court costs.....	6,113.51
Audit fees.....	41,500.00
Tabulating equipment — rental and sundries.....	72,144.66
Repairs and upkeep of office machinery and equipment.....	3,114.91
Grain market publications.....	1,849.90
Bonds and insurance.....	2,404.61
Grain Exchange dues.....	1,900.00
Express, freight and cartage on stationery, etc.....	14,882.81
Depreciation on furniture, equipment and automobiles.....	19,167.71
Contribution to Pension Fund and actuarial expenses.....	75,043.51
Total administrative and general expenses for the year ended 31st July 1949.....	<u>\$2,071,655.31</u>

HEAT BOARD

ND GENERAL EXPENSES

D OPERATIONS

st July 1949

cations to operations:

1945-49 Pool Account:

Marketing Producers' wheat.....	\$1,273,183.40	
Distributing adjustment payments.....	466,006.67	\$1,739,190.07

Distributing final payments to Producers:

(a) Western Division — Wheat:

1944 Crop Account.....	37,297.15	
1943 Crop Account.....	49,191.39	
1942 Crop Account.....	1,499.26	
1941 Crop Account.....	1,388.16	
1940 Crop Account.....	2,626.89	92,002.85

(b) Eastern Division — Wheat Equalization Funds:

1945 Ontario Wheat — P.C. 4646.....	151.49	
1944 Ontario Wheat — P.C. 1638.....	89.11	240.60

(c) Western Division — Oats and Barley:

1947 Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	34,291.88	
1946 Oats Equalization Fund — P.C. 3222 and 1292.....	2,678.46	
1944 Barley Equalization Fund — P.C. 5998.....	838.25	
1943 Oats Equalization Fund — P.C. 4450 and 8898.....	760.90	
1942 Oats and Barley Equalization Fund — P.C. 4450.....	124.81	38,694.30

Special operations on behalf of the Government of Canada:

1948 Crop Account, Flax Division — P.C. 3376.....	27,947.61	
1947 Crop Account, Flax Division — P.C. 3038 and 829.....	7,576.13	
1948 Crop Account, Rapeseed — P.C. 3717.....	8,853.13	
1947 Oats and Barley Adjustment Payment — P.C. 3375.....	19,955.88	
1946 Barley Equalization Fund — P.C. 3222 and 1292.....	919.99	
Oats and Barley Account — P.C. 1292.....	11,871.78	
Drawback Account — P.C. 1736 and 4145.....	989.90	
Refund Account — P.C. 3376 and 4287.....	28,964.15	
Delivery Quotas and Permit Regulations.....	94,448.93	201,527.50

\$2,071,655.32

MILLAR, MACDONALD & Co.

CHARTERED ACCOUNTANTS

To The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board for the fiscal year ended 31st July 1949, and have examined the Consolidated Balance Sheet and related statements of operations and schedules, all as enumerated in the Index appearing in Part IV of the Report of the Board.

The transactions for the year have been verified in such detail and to such extent as we have considered necessary in view of the system of internal accounting control maintained by the Board. In this connection we have examined vouchers and other documentary evidence in support of grain and financial transactions and have received all the information and explanations which we have required from members, officers and employees of the Board.

In verification of stocks of grain in store terminal elevators and mills, we have examined grain documents on hand and have received certificates from the Bank of Montreal and the Lake Shippers' Clearance Association covering grain documents held by them for account of the Board. Stocks of grain in the custody of Agents and in country elevators have been verified by reference to grain records maintained by the Board in which reports submitted by Agents are regularly recorded. In our opinion the asset "Stocks of cash grain, etc." in the amount of \$132,608,573.12 is stated correctly in terms of the valuation bases indicated on the Consolidated Balance Sheet. Satisfactory evidence has been produced for our inspection in support of accounts receivable and all other assets.

We have received certificates direct from bankers in verification of the liability for demand loans and have verified the calculation of accrued interest thereon. We have checked the computation of the liability to Agents for wheat purchased from Producers but not yet delivered to the Board, and have verified the amounts due to Producers

on miscellaneous accounts and on outstanding Producers' certificates. The Provisions for Final Payment Expenses include interest credits on Producers' surpluses during the period of disbursement; this reserve may finally prove to be in excess of the actual costs of completing the various final payments to Producers which were in process at the year-end date.

The liability for advances received on stocks in the custody of Agents in the amount of \$51,178,583.53, and all other liabilities, have been verified by reference to grain records, creditors' statements and other data, and are correctly stated to the best of our information and belief.

The action which was commenced by the Board to recover certain barley which had been vested in the Board for the Crown by Order-in-Council P.C. 1292 is still continuing. The surplus from the operations of the Board on Oats and Barley Account—P.C. 1292—should be viewed as being subject to the final outcome of this action.

We have reviewed Part IV of the Annual Report of the Board which sets forth explanatory comments relative to the financial statements for the year under review. In our opinion the information presented therein is accurately recorded and is in agreement with our findings in the course of audit.

In terms of the foregoing, we report that in our opinion the Consolidated Balance Sheet and related statements of operations and schedules as enumerated in the Index appearing in Part IV of the Report of the Board, are properly drawn up so as to exhibit respectively a true and correct view of the financial position of The Canadian Wheat Board as at 31st July 1949, and of the results of its operations for the periods ended on that date, according to the best of our information, the explanations given to us, and as shown by the books of the Board.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

Winnipeg, Manitoba
15th December 1949

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Canada, Canadian Wheat Board

REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1949-1950

REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1949-1950

P R E F A C E

The Annual Report of The Canadian Wheat Board is presented in five parts. Part I deals with the Board's operations in respect to Wheat, Oats, Barley and Flaxseed to July 31st, 1950. Part II presents the Board's Financial Statements as at July 31st, 1950. Part III is the Auditors' Report covering the crop year ending July 31st, 1950. Part IV includes the Financial Statements pertaining to the 1945-49 Pool Account to December 31st, 1950; the 1949-50 Oats Account to September 30th, 1950; the 1949-50 Barley Account to September 30th, 1950 and the 1948-49 Flaxseed Account to November 30th, 1950. Part V comprises the Auditors' Report in respect to these latter accounts.

Report of The Canadian Wheat Board

Crop Year 1949-1950

The RIGHT HONOURABLE C. D. HOWE,
Minister of Trade and Commerce,
OTTAWA, Canada.

Sir:

We beg to submit herewith the Annual Report of The Canadian Wheat Board for the crop year ended July 31st, 1950, as required by The Canadian Wheat Board Act, 1935, and also reports on certain operations dated subsequent to July 31st, 1950.

PART I

THE MARKETING OF PRODUCERS' WHEAT, OATS, BARLEY AND FLAXSEED

1. General Comment —Crop Year 1949-50

Wheat production was well maintained in the principal wheat producing areas of the world in 1949. In Europe, North Africa, India, Pakistan, Argentina and Australia, 1949 wheat production was somewhat larger than in the previous crop year. Production was below the 1948 level in both Canada and the United States. However, Canadian and United States supplies were more than adequate to meet domestic requirements and export demand, and the crop year 1949-50 ended with increased commercial carryovers in both countries.

The United States was again the largest exporter of wheat, but their exports in 1949-50 were substantially lower than in the previous crop year. United States exports of wheat (including flour) amounted to 403 million bushels in 1949-50 as compared with 507 million bushels in 1948-49. Canadian exports were 225 million bushels, while Argentina and Australia exported 89 million bushels and 115 million bushels respectively.

The shortage of dollars and United States aid to Western Europe continued to affect the volume and direction of international trade in wheat in 1949-50.

The International Wheat Agreement became effective on August 1st, 1949 and provided the price basis upon which a substantial quantity of wheat moved in international trade.

2. International Wheat Agreement

In describing the operations of the Board during 1949-50 it is necessary to make a brief reference to the pricing provisions of the International Wheat Agreement which was signed on behalf of Canada in March, 1949, and subsequently ratified by the Canadian Parliament.

The International Wheat Agreement is operative from August 1st, 1949 to July 31st, 1953 and under the Agreement, minimum and maximum prices are provided as follows:

<u>Crop Year</u>	<u>Minimum</u>	<u>Maximum</u>
1949-50.....	\$1.50	\$1.80
1950-51.....	1.40	1.80
1951-52.....	1.30	1.80
1952-53.....	1.20	1.80

Minimum and maximum prices under the International Wheat Agreement are basis No. 1 Northern Wheat in store Fort William/Port Arthur expressed in Canadian currency at the parity of the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1st, 1949.

On September 20th, 1949 the Canadian Government devalued the Canadian dollar, with the consequence that the Canadian dollar was discounted in relationship to the parity of the International Monetary Fund on March 1st, 1949. As a result of the discounted value of Canadian currency, the maximum price for No. 1 Northern

Wheat in store Fort William/Port Arthur and Vancouver was adjusted to \$1.98 per bushel.

Under the International Wheat Agreement provision was made for the recognition of prior sales agreements between signatory countries. Most of the wheat which Canada supplied to the United Kingdom in 1949-50 under the Canada-United Kingdom Wheat Agreement was recorded by the International Wheat Council, but such sales were subject to the 1949-50 price provisions of the Canada-United Kingdom Wheat Agreement.

3. Canadian Position

In 1949-50 the Board experienced difficulty in selling wheat. At no time in the crop year was the demand for wheat buoyant and over the greater part of the crop year the demand was light and intermittent. Flour was in fairly good demand throughout the crop year.

The limited demand for Canadian wheat was due to large crops harvested in Western Europe in 1949, the continued supplying of substantial quantities of wheat to Western Europe by the United States under financing by the Economic Co-operation Administration, and the steady demand for Australian wheat within the Sterling area due to the dollar shortage.

Moderate export and domestic demand for wheat in 1949-50 along with heavy deliveries by producers in late June and July resulted in an increase in the commercial carryover of Canadian wheat from 55.9 million bushels on July 31st, 1949 to 99.1 million bushels on July 31st, 1950. The increase in the commercial carryover on July 31st, 1950 was partially offset by a reduction in the farm carryover of wheat to the extent of some 30 million bushels.

4. Legislation

Several sections of The Canadian Wheat Board Act, 1935, were amended, effective on August 1st, 1949. The chief amendments were as follows:

- (1) To make provision for meeting requirements of the International Wheat Agreement by deferring the repeal of Parts II and IV of The Canadian Wheat Board Act, 1935, until August 1st, 1953;
- (2) To establish annual pool periods during the term of the International Wheat Agreement in lieu of the five-year pool period in effect from August 1st, 1945 to July 31st, 1950;
- (3) To authorize an increase in the membership of The Canadian Wheat Board from three to five members and for other changes of an administrative nature in the operations of the Board.

Parliament also amended the Statute Law to provide that The Canadian Wheat Board and other Crown corporations could be sued without the necessity of obtaining the Governor General's fiat, and that the Board could sue and be sued in its own name as if it were not an agent of His Majesty.

Under Order-in-Council P.C. 3713 dated August 1st, 1949 Part III and Part IV of The Canadian Wheat Board Act were extended to oats and barley for the crop year commencing on August 1st, 1949 and ending on July 31st, 1950.

5. Wheat Policy—Crop Year 1949-50

During 1949-50 the Board administered the final year of the Five-Year Pool as provided in The Canadian Wheat Board Act.

The initial price of \$1.75 per bushel for No. 1 Northern Wheat basis in store Fort William/Port Arthur or Vancouver which became effective on April 1st, 1949, was continued until the end of the Five-Year Pool on July 31st, 1950.

The price of wheat in 1949-50 under the Canada-United Kingdom Wheat Agreement was \$2.00 per bushel for No. 1 Northern Wheat basis in store Fort William/Port Arthur, Vancouver or Churchill, plus a carrying charge. The domestic price of wheat in Canada was established by the Government at \$2.00 per bushel for No. 1 Northern Wheat basis in store Fort William/Port Arthur or Vancouver, plus a carrying charge. The carrying charge in effect for both domestic wheat and wheat supplied to the United Kingdom was 5 cents per bushel from August 1st, 1949 to September 30th, 1949 and 6 cents per bushel from October 1st, 1949 to July 31st, 1950.

6. Crop Development and Wheat Supplies

There was a sharp increase in wheat acreage in Canada in 1949. The area seeded to wheat in 1949 was 27,540,700 acres as compared with 23,880,900 acres in 1948. In the Prairie Provinces wheat acreage in 1949 was 26,490,000 acres as compared with 22,820,000 acres in the previous year.

In commenting on 1949 crop development in the Prairie Provinces, the Dominion Bureau of Statistics stated:

“Lack of sufficient moisture to ensure good crop development proved a serious problem to farmers in the Prairie Provinces throughout this year’s growing and maturing season. In all three provinces rainfall from the beginning of April to the beginning of July was well below normal, leaving later growth of crops and filling of grains dependent upon timely showers. The areas suffering most from drought were south-western, south-central and parts of central Saskatchewan, and the eastern and west-central parts of Alberta. Manitoba suffered less from lack of rainfall than did the other two provinces. Unduly hot weather occurred over most of Western Canada in the early part of August which hastened ripening, but, at the same time, reduced yields and grades through lack of proper filling. Cutting began early and the weather favoured harvesting except in parts of northern Saskatchewan and Alberta where rains delayed operations somewhat. By the end of the third week in September threshing was almost completed over most of the Prairies. Outturns of grains varied widely in different areas. In general, the areas of best yield were in the western and south-western parts of Manitoba, in eastern and northern Saskatchewan, and in the north-western and south-western sections of Alberta.”*

The growing season in Eastern Canada was not favourable and grain production was generally smaller than in 1948. Yields of feed grain crops were generally disappointing throughout Eastern Canada.

*Quarterly Bulletin of Agricultural Statistics, July-September, 1949.

Production of wheat in Canada in 1949 amounted to 367.4 million bushels as compared with 386.3 million bushels in 1948. Production of wheat in the Prairie Provinces amounted to 337.0 million bushels as compared with 356.0 million bushels in 1948.

On July 31st, 1950 the carryover of commercial supplies of wheat (stocks of wheat in elevators, mills, in transit, etc.) amounted to 99.1 million bushels as compared with 55.9 million bushels on July 31st, 1949. The increase in the year-end stocks on July 31st, 1950 was partially due to the heavy, late season deliveries by producers and the drastic lowering of farm stocks of wheat prior to the terminal date of the Five-Year Pool.

On July 31st, 1950 the carryover of wheat including stocks of wheat on farms, was 113.2 million bushels as compared with 102.4 million bushels on the same date in the previous year.

7. Board Receipts

Board receipts of wheat from producers during the crop year ending July 31st, 1950 were as follows:

Date	Bushels
August, 1949.....	5,587,463-25
September.....	108,787,590-20
October.....	63,170,631-00
November.....	19,400,666-00
December.....	8,578,400-35
January, 1950.....	37,519,188-50
February.....	6,371,940-20
March.....	9,053,728-30
April.....	5,140,006-20
May.....	12,491,384-35
June.....	19,134,527-45
July.....	24,810,773-10
Total.....	320,046,300-50

Board receipts of wheat from producers amounted to 320.0 million bushels in 1949-50. The foregoing table shows the heavy concentration of deliveries in the month of September, reflecting early maturing crops and favourable harvesting weather. During June and July producers' deliveries were relatively heavy, totalling 43.9 million bushels.

8. Export Movement

The following table shows the monthly exports of Canadian wheat (including flour) for the crop year 1949-50:†

	Million Bushels
August, 1949.....	20.6
September.....	19.6
October.....	23.3
November.....	27.1
December.....	14.4
January, 1950.....	14.3
Total August-January.....	119.3
February.....	11.5
March.....	14.9
April.....	12.1
May.....	27.6
June.....	22.8
July.....	16.9
Total February-July.....	105.8
TOTAL.....	225.1

In 1949-50 exports of wheat (including flour) amounted to 225.1 million bushels as compared with 232.3 million bushels in 1948-49.

Exports of flour accounted for the equivalent of 45.7 million bushels, while exports of wheat amounted to 179.4 million bushels.

During 1949-50 exports were somewhat heavier in the first half of the crop year than during the second half.

†Source: Board of Grain Commissioners for Canada. Statistics subject to revision.

The following table shows Canadian exports of wheat (not including flour) to principal importing countries in 1949-50:*

	Bushels
United Kingdom.....	110,802,989
Belgium.....	10,253,597
Switzerland.....	8,948,395
Union of South Africa.....	6,764,823
Japan.....	5,075,505
Iran.....	4,274,108
Ireland.....	4,063,733
Israel.....	3,145,209
Turkey.....	2,114,933
Malta.....	1,796,433
Spain.....	1,550,138
Colombia.....	1,226,293
Norway.....	1,153,007
Egypt.....	1,041,600
Bolivia.....	716,168
Italy.....	617,775
Peru.....	427,757
Brazil.....	356,539
Mexico.....	349,440
Morocco.....	213,124
Tripoli.....	186,667
Costa Rica.....	130,000
Denmark.....	122,000
Ecuador.....	110,931
Finland.....	110,236
United States—Milling in Bond.....	12,070,531
—Consumption.....	1,416,803
Other Countries.....	418,146
TOTAL.....	179,456,880

Wheat exports were 179.4 million bushels in 1949-50 as compared with 184.2 million bushels in the previous crop year. Exports of wheat followed the general pattern of the previous year. The United Kingdom was again the largest purchaser of Canadian wheat. Belgium, Switzerland, Ireland, Norway, Israel, Iran and Colombia were among the countries increasing their purchases of Canadian wheat during the crop year 1949-50, while the Union of South Africa and Turkey continued as substantial buyers. Japan and Spain re-entered the Canadian market in 1949-50 for 5.1 million bushels and 1.5 million bushels respectively.

The milling industry continued to provide an important market for western wheat. In the crop year 1949-50 Canadian mills ground about 90.0 million bushels of wheat (including Ontario wheat) and about one-half of this mill grind was for the export market. The market outlook was not encouraging at the start of the crop year 1949-50. Under the terms of the Canada-United

*Source: Board of Grain Commissioners for Canada. These export statistics include exports of eastern wheat and registered and certified seed as well as western wheat. Statistics subject to revision.

Kingdom Wheat Agreement, British purchases of flour were to be reduced by 50,000 tons as compared with 1948-49. It was also unlikely that Syria, Italy, Germany, Switzerland, Belgium and Pakistan would repeat their large flour purchases of 1948-49. However, the Canadian milling industry found other markets which largely offset the reduced prospects outlined above. The following table shows the principal Canadian flour markets for the crop year 1949-50 (expressed in terms of bushels of wheat):

	Bushels
United Kingdom.....	19,481,787
British West Indies.....	5,770,201
Philippine Islands.....	4,894,920
Venezuela.....	2,674,381
Ceylon.....	2,143,858
Cuba.....	2,126,097
Hong Kong.....	1,522,481
British Guiana.....	922,824
Morocco.....	452,763
Costa Rica.....	382,873
Guatemala.....	323,847
Haiti.....	284,108
Portuguese Africa.....	277,578
Gold Coast.....	232,132
Panama.....	229,388
Ecuador.....	208,503
Dominican Republic.....	186,561
Surinam.....	181,472
Siam.....	146,880
El Salvador.....	146,650
Arabia.....	143,964
Colombia.....	130,482
China.....	138,947
Belgian Congo.....	108,171
Nicaragua.....	101,511
Other Countries.....	2,467,526
TOTAL.....	45,679,905

The United Kingdom remained the largest market for Canadian flour, accounting for about 42% of total flour exports for the crop year. The second largest market was the British West Indies, with flour imports equivalent to 5,770,201 bushels of wheat. A sharp expansion took place in flour exports to the Philippine Islands, Venezuela, Ceylon and Cuba. The increase in these four markets in 1949-50 amounted to over 6 million bushels in terms of wheat. With the exception of the United Kingdom and Arabia,

flour exports to the countries and areas shown in the foregoing table were larger than in the previous crop year. It is interesting to note that the 2,467,526 bushels shown as exports to "other countries" in the foregoing table, represented small shipments of flour to about 40 additional countries.

According to the preceding table, the United States bonded mills took 12.1 million bushels of wheat for milling in bond during 1949-50 as compared with 4.8 million bushels in 1948-49.

WHEAT EXPORTS BY PORTS

In 1949-50 wheat exports through eastern Canadian ports amounted to 98.8 million bushels. Pacific Coast clearances were 61.3 million bushels and 5.5 million bushels were exported through Churchill. Export shipments through eastern United States ports amounted to only 143,000 bushels.

9. Administration of the Canada-United Kingdom Wheat Agreement

In 1949-50 the Board administered the fourth and final year of the Canada-United Kingdom Wheat Agreement. As a result of negotiations between the Government of Canada and the Government of the United Kingdom, the Agreement price for 1949-50 was established at \$2.00 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur, Vancouver or Churchill. The Agreement quantity for 1949-50 was 140 million bushels. The contracting governments agreed that for the crop year 1949-50, the quantity of flour to be shipped by Canada under the terms of the Agreement would be 400,000 long tons.

(1) CARRYING CHARGES AND GRADE SPREADS

In accordance with the Agreement, the Board negotiated with United Kingdom authorities with regard to the carrying charge on all wheat shipped under the Agreement during 1949-50. A carrying charge of 6 cents per bushel was agreed upon, effective October 1st, 1949. During the first two months of the crop year the carrying charge had been 5 cents per bushel.

The Board and United Kingdom authorities agreed upon the spreads for grades of wheat other than No. 1 Northern which were in turn approved by the two governments.

(2) QUANTITIES SUPPLIED UNDER THE AGREEMENT IN 1949-50

In carrying out the terms of the Agreement, the Board made available 125 million bushels of wheat. In addition to this quantity of wheat, the Board sold to Canadian mills 20.6 million bushels of wheat for the production of flour to be shipped to the United Kingdom under the Agreement. Of this quantity, 15.0 million bushels was for delivery to the United Kingdom as flour and the equivalent of 5.6 million bushels was retained in Canada in the form of mill offals. The provision of wheat for the United Kingdom under the 1949-50 terms of the Agreement was the equivalent of 140 million bushels.

The contracting governments agreed that the actual shipment of 12.5 million bushels of the 1949-50 agreement quantity was to be deferred until after the close of the crop year on July 31st, 1950. This wheat was delivered to the United Kingdom during August and September, 1950 and 1949-50 price terms of the Agreement applied to these shipments.

The Canada-United Kingdom Wheat Agreement became effective on August 1st, 1946 and expired on July 31st, 1950. Under the four-year Agreement, Canada sold and delivered to the United Kingdom the equivalent of 600 million bushels of wheat.

10. Transportation

With an early harvest in 1949 and with adequate car supply, the railways carried out a generally satisfactory grain movement during the crop year. The fall movement was considerably larger than in the previous year. During the period from August 1st to November 30th, Lakehead receipts of all grains amounted to 174 million bushels as compared with 158 million bushels in the previous year. Sufficient stocks of grain were moved to the Lakehead to take care of domestic and export demand during the fall months and to provide adequate eastern stocks to meet all requirements during the winter months. Country loadings in the Prairie Provinces were well maintained during the winter and capacity stocks were at the Lakehead prior to the opening of navigation on the Great Lakes.

During the crop year 1949-50 shipments of all grains from country elevators amounted to 453.4 million bushels.

Throughout the crop year it was necessary for the Board to regulate the volume of United States grain accepted for storage in Canada. The Board took the position that United States grain for storage in transit should not be stored in Canada to the extent that the movement of Canadian grain through Canadian storage facilities would be seriously prejudiced.

During the fall months the railways moved wheat to the Pacific Coast in excess of current requirements and the winter shipping season from Pacific Coast ports commenced with adequate reserve stocks. From mid-January to mid-February, 1950, extremely heavy snowfall occurred in the mountains and repeated snowslides seriously interrupted the grain movement to the West Coast. During this period, reserves of wheat in store in Vancouver and New Westminster were used to meet export programmes, and for a time it appeared that it would be impossible to have sufficient wheat in position for incoming ocean tonnage. The situation was met, however, through the co-operation of United Kingdom authorities in delaying and diverting tonnage originally programmed for the Pacific Coast in February and March, and by the persistent efforts of the railways in moving as much wheat as possible to the West Coast in the face of most difficult operating conditions.

Adequate shipments of wheat were moved to Churchill prior to the opening of the 1949 shipping season at that port, and during the season sufficient wheat was moved to Churchill to take care of the record 1949 programme.

11. Delivery Quotas

On July 20th, 1949 the Board announced that there would be no delivery quotas on rye or flaxseed for the crop year 1949-50, and that delivery quotas on wheat, oats and barley would be left open after August 1st, 1949 until the new crop deliveries reached such a volume as to make necessary the establishment of delivery quotas for these grains.

On August 12th, 1949 the Board announced the establishment of delivery quotas on wheat and oats to apply in Manitoba, Saskatchewan and Alberta. Exceptions were made at 477 points in the low yield areas of Saskatchewan (mainly southern and central districts) and at 366 points in the low yield areas of Alberta (mainly in eastern and central areas) where the quota was declared "open" on all grains on the same date. No quotas were established on barley.

The original delivery quotas were established on a basis of 10 bushels per seeded acre on wheat and oats. All quotas were increased as rapidly as possible, as space became available, and on October 7th remaining delivery quotas in Manitoba were removed. At the same time, all points in Saskatchewan to the south of the main C.P.R. line were placed on an open delivery quota basis for all grains, and all remaining points in Alberta, with the exception of those located in the Peace River territory, were also placed on an open quota basis.

On October 22nd the remaining delivery quotas in Alberta were removed. On November 23rd all producers in the West, both in areas where quota restrictions had been removed, and in areas where quotas were still in effect, were permitted to deliver all grains at any delivery point where space was available. This step was taken to ensure that all elevator space was being utilized to the full extent.

Finally, on December 15th all remaining delivery restrictions in Saskatchewan were removed, thus placing the three Prairie Provinces on an open quota basis.

12. Handling Agreement

WHEAT—The 1949-50 Handling Agreement negotiated between the Board and handling companies provided for the same country elevator handling margin and storage rate as in the previous crop year. The handling margin was 4 ½ cents per bushel and the storage rate was 1/25 of a cent per bushel per day.

OATS AND BARLEY—With the Board handling oats and barley for the crop year 1949-50 it was necessary to include these grains in the 1949-50 Handling Agreement. The country elevator handling margin for oats was 3 ½ cents per bushel and, for barley, 4 ½ cents per bushel. The storage rate applicable to both grains was 1/25 of a cent per bushel per day.

13. Sales - Crop Year 1949-50

From August 1st, 1949 to July 31st, 1950 sales were as follows:

	Bushels
1948-49 Crop Account.....	46,822,050-57
1949-50 Crop Account.....	228,408,095-13
Sales Adjustments—Previous Crop Accounts	37,744-10
	<u>275,267,890-20</u>

Total sales for the crop year amounted to 275,267,890-20 bushels.

The following table shows the distribution of sales for the period from August 1st, 1949 to July 31st, 1950:

	Bushels
Domestic Sales.....	47,440,767-18
Canada-United Kingdom Wheat Agreement..	145,637,161-29
Other International Wheat Agreement Sales..	55,681,902-50
Class II Sales.....	26,505,010-53
Weight losses in transit and in drying and reconditioning wheat.....	3,047-50
	<u>275,267,890-20</u>

DOMESTIC SALES

During 1949-50 the Board sold 47,440,767-18 bushels in the domestic market at \$2.00 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver plus carrying charges.

EXPORT SALES

Export sales in 1949-50 amounted to 227,824,075-12 bushels. Under the Canada-United Kingdom Wheat Agreement, sales to the United Kingdom amounted to 145,637,161-29 bushels at \$2.00 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur, Vancouver or Churchill plus carrying charges.

A total of 55,681,902-50 bushels was sold to countries other than the United Kingdom under the International Wheat Agreement. Of this quantity, 15,138,785-10 bushels were sold basis \$1.80 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, and 40,543,117-40 bushels basis \$1.98 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver following the devaluation of the Canadian dollar on September 20th, 1949. Throughout the crop year, International Wheat Agreement sales to countries other than the United Kingdom were made at the maximum price provided in the Agreement and on these sales made between August 1st, 1949 and December 13th, 1949, a carrying charge of 5 cents per bushel was added to the Board's International Wheat Agreement price.

In 1949-50 Class II sales were 26,505,010-53 bushels. These sales were made at an average price of \$2.16 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. During the crop year the Board's Class II price ranged from a high of \$2.41 to a low of \$2.04 per bushel.

14. Board Operations to July 31st, 1950 - Wheat

As at July 31st, 1950 the position of the 1945-49 Pool was as follows:

I. POSITION OF THE FIVE-YEAR POOL — JULY 31st, 1950

	Bushels	
(1) Wheat Acquired by the Board:		
(a) Producers' Deliveries: 1945-46.....	235,431,736-30	
1946-47.....	335,158,639-05	
1947-48.....	243,940,297-35	
1948-49.....	293,011,116-10	
1949-50.....	320,046,300-50	
	<u>1,427,588,090-10</u>	
(b) Wheat Otherwise Acquired ¹	8,282,693-18	
Total Wheat Acquired.....	<u>1,435,870,783-28</u>	
	(Value)	(Value)
(2) Cost of Wheat Acquired August 1st, 1945 to July 31st, 1950.....		\$2,456,841,157.17
(3) Proceeds of Sales August 1st, 1945 to July 31st, 1950 and Inventory: ²		
(a) Sales.....	\$2,377,183,903.32	
(b) Inventory.....	<u>178,587,558.59</u>	<u>2,555,771,461.91</u>
		98,930,304.74
(4) DEDUCT: Funds Transferred to 1944 Crop Account ³		<u>12,000,000.00</u>
		86,930,304.74
(5) ADD: Recovery of Storage, Interest and Differ- ential Charges.....		<u>43,011,615.46</u>
(6) Gross Surplus as at July 31st, 1950.....		129,941,920.20
(7) Operating Costs to July 31st, 1950:		
(a) Carrying Charges including Terminal Storage.....	56,897,155.40	
(b) Interest and Bank Charges, etc.....	3,322,458.71	
(c) Additional Freight (Net).....	(3,221.16)	
(d) Handling, Stop-off and Diversion Charges.....	303,901.78	
(e) Drying, Reconditioning, Grade Adjustments, etc.....	1,197,011.11	
(f) Administrative and General Expenses.....	<u>5,011,723.01</u>	<u>66,729,028.85</u>
(8) Surplus on Operations as at July 31st, 1950.....		63,212,891.35
DEDUCT: Cost of Adjustment Payments to July 31st, 1950.....		<u>1,738,455.28</u>
(9) Surplus in the 1945-49 Pool Account as at July 31st, 1950.....		<u>\$ 61,474,436.07</u>

¹ Purchases of wheat produced in non-designated areas, salvage wheat and overages at terminal and country elevators, etc.;

² Inventory Stocks of 92,008,613-42 bushels valued basis \$1.98 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver;

³ Funds transferred to the 1944 Crop Account under authority of Order-in-Council P.C. 4869 of November 26th, 1946 so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts.

II. BOARD OPERATING COSTS—WHEAT

From August 1st, 1945 to July 31st, 1950 (five full crop years) the Board's operating costs applicable to producers' wheat (including cost of adjustment payments) amounted to \$68,467,484.13. Of these operating costs the Board recovered \$43,011,615.46 mainly in carrying charges (storage and interest) on domestic wheat and wheat for the United Kingdom.

The Board's operating costs for the 1945-49 Pool to July 31st, 1950 are summarized as follows:

(1) Carrying Charges

On 1,435,870,783-28 bushels of wheat delivered to the Board between August 1st, 1945 and July 31st, 1950, carrying charges, including terminal storage, amounted to \$56,897,155.40.

(2) Administrative and General Expenses

From August 1st, 1945 to July 31st, 1950, administrative and general expenses amounted to \$5,011,723.01. These costs amounted to .3490 cent per bushel on the total wheat acquired.

(3) Interest and Bank Charges

In 1945-46, 1946-47 and 1947-48 interest earned on surplus funds in the 1945-49 Wheat Account exceeded interest paid. At the end of the third year of the Pool, the surplus of interest earned exceeded interest and bank charges, etc. paid by \$1,169,531.56. In 1948-49 net interest and bank charges were \$1,366,659.59. For the crop year 1949-50 interest, bank charges, etc. amounted to \$3,125,330.68, bringing the total net cost for the five-year period to \$3,322,458.71 as at July 31st, 1950.

(4) Drying, Re-conditioning, Grade Adjustments, etc.

From August 1st, 1945 to July 31st, 1950, costs of drying and re-conditioning wheat, including grade adjustments, amounted to \$1,197,011.11. This item consists mainly of the drying of wheat at the Pacific Coast prior to overseas shipment.

(5) Other Costs

All other operating costs amounted to \$303,901.78, made up of handling, stop-off and diversion charges. Additional freight showed a credit of \$3,221.16 for the five-year period.

III. DISTRIBUTION OF SALES—1945-49 POOL TO JULY 31st, 1950

	Quantity (Bushels)	Sales Basis ¹ (Basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver)
To United Kingdom and Other Countries prior to the Canada-United Kingdom Agreement.....	208,013,770-19	\$1.55 per bushel ²
To United Kingdom for the Canada-United Kingdom Agreement.....	631,552,419-42	{ 339,573,484-44 bus. @ \$1.55 per bus. ³ 291,978,934-58 bus. @ \$2.00 per bus. ³
To Other Countries subsequent to the Canada-United Kingdom Agreement.....	196,229,678-47	Average of \$2.36 per bus.
To Countries other than the United Kingdom under the terms of the International Wheat Agreement.....	55,681,902-50	{ 15,138,785-10 bus. @ \$1.80 per bus. 40,543,117-40 bus. @ \$1.98 per bus.
To the Domestic Market ⁴	251,530,897-38	{ 38,471,271-00 bus. @ \$1.25 per bus. ⁵ 113,213,690-25 bus. @ \$1.55 per bus. ⁶ 99,845,936-13 bus. @ \$2.00 per bus. ⁷
Weight Losses in transit and in drying and reconditioning wheat	853,500-30	
Total Sales August 1st, 1945 to July 31st, 1950.....	1,343,862,169-46	

¹ Exclusive of any carrying charges recovered;
² Board's Class II price and Order-in-Council P.C. 6122, September 19th, 1945;
³ As provided for during the period August 1st, 1946 to July 31st, 1950 in the Canada-United Kingdom Agreement;
⁴ Since wheat for domestic use in 1945-46 was supplied from the 1944 Crop Account, a transfer of \$12,000,000.00 from the 1945 Crop Account to the 1944 Crop Account was authorized by Order-in-Council P.C. 4869 of November 26th, 1946, so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts;
⁵ \$1.25 per bushel from August 1st, 1945 to February 17th, 1947;
⁶ \$1.55 per bushel from February 18th, 1947 to July 31st, 1948;
⁷ \$2.00 per bushel from August 1st, 1948 to July 31st, 1950.

IV. BOARD SELLING PRICE—CLASS II WHEAT

The following table shows the high, low and average selling prices for Class II wheat by crop years from 1945-46 to 1949-50 inclusive (all prices in Canadian dollars basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver).

Crop Year	High	Low	Average Selling Price
1945-46.....	\$1.55	\$1.55	\$1.55
1946-47.....	3.10	2.05	2.43
1947-48.....	3.45	2.37	2.88
1948-49.....	2.48	1.91	2.23
1949-50.....	2.41	2.04	2.16

V. PAYMENT DIVISION

During the crop year 1949-50 no new payments were authorized on wheat or coarse grains, and the Payment Division was concerned primarily with the work of consolidating producers' records in the 1945-49 Wheat Account. This work, necessary for a final payment on the Pool, involved the consolidation of over 400,000 individual producers' accounts by delivery points.

The Payment Division continued its efforts to locate producers who were still holding certificates upon which payments had been authorized. From time to time the Board's Inspection staff was used in locating producers who had funds due to them on various payments. As a result, the value of outstanding certificates for the 1940, 1941, 1942, 1943 and 1944 crop years was reduced by \$910,950.90 and on adjustment payments for the 1945, 1946, 1947 and 1948 Crop Accounts by \$10,802,484.98.

VI. 1945-49 WHEAT ACCOUNT—

ACCOUNTING TO DECEMBER 31st, 1950

As shown in Section 14 (1) of this Report, the inventory in the 1945-49 Wheat Account was 92,008,613-42 bushels on July 31st, 1950.

In selling these stocks on and after July 31st, 1950 the Board was governed by 1950-51 wheat policy as announced on July 21st, 1950 by the Right Honourable C. D. Howe and which provided that wheat was to be sold in the domestic market at the Board's International Wheat

Agreement price. This price also applied to purchases of wheat by the United Kingdom under the International Wheat Agreement subsequent to the expiration of the Canada-United Kingdom Wheat Agreement on July 31st, 1950.

By applying to the 1945-49 Wheat Account on and after August 1st, 1950 all sales in order of completion, the Board was able to dispose of the foregoing inventory by December 31st, 1950.

Financial and other statements pertaining to the 1945-49 Wheat Account as at December 31st, 1950 are shown in Part IV of this Report.

14. Oats and Barley—Policy and Supplies

1. STATEMENT OF GOVERNMENT POLICY

The following statement of government policy in respect to oats and barley was made on July 20th, 1949:

"Effective August 1st, 1949, oats and barley produced in the three Prairie Provinces will be marketed through an oats pool and a barley pool operated by The Canadian Wheat Board, it was announced today by the Right Honourable C. D. Howe, Minister of Trade and Commerce.

"Initial payments will be made on the basis of the 1949-50 support prices announced by the Dominion Government on March 15th, 1949, less all charges before delivery in store Fort William or Port Arthur. The 1949-50 support prices announced last March were 61½ cents for oats and 90 cents for barley basis No. 1 Feed grades in store Fort William or Port Arthur.

"In explaining the adjustments to be made in determining the new initial payments Mr. Howe pointed out that deductions would include an allowance of 1½ cents per bushel on oats and 3 cents per bushel on barley, this to constitute a reserve against country carrying charges and pool operating expenses to the Lakehead. Mr. Howe said that total deductions under the pool system including the reserve of 1½ cents for oats and 3 cents for barley would be about equivalent to deductions which have been made at country elevators under the price support policy.

"The Dominion Government guarantees a minimum return to the oats and barley pools

of 61½ cents for oats and 90 cents for barley on the basis of No. 1 Feed grades in store Fort William or Port Arthur for the total handling of the pools.

"The Canadian Wheat Board will establish related initial payments for other grades of western oats and barley and these will be announced before the end of July. These will include initial payments for the basic grades of oats and barley set forth in Section IV (a) of The Canadian Wheat Board Act. These basic grades are for oats, Grade No. 2 Canada Western, for which the initial payment will be 65 cents per bushel basis in store Fort William or Port Arthur, after deduction of the allowance; and for barley, Grade No. 3 Canada Western Six Row, for which the initial payment will be 93 cents per bushel on the same basis.

"Producers will receive the established initial payments at the time of delivery and sale of their oats and barley to the Board. At the same time they will receive a producers' certificate covering the quantities and grades so delivered and sold, which entitles producers to share in any surpluses accumulated by the Board in the sale of oats and barley delivered to the Board between August 1st, 1949 and July 31st, 1950.

"Mr. Howe stated that both the Government and the Board had given consideration to the manner in which selection premiums would be paid to producers for special qualities of western oats and barley. It has been decided that the Board will purchase oats and barley on the basis of initial payments applicable to the established grades and that special quality premiums will be reflected to producers by handling companies in the same manner as in the past. The producer should therefore make his own arrangements with the handling companies for malting and other premiums, The Canadian Wheat Board being responsible only for the basic grade price.

"Mr. Howe said that The Canadian Wheat Board would shortly be announcing further plans in respect to the handling of oats and barley in 1949-50, but in general it is the intention of the Board to use existing facilities for the distribution of these grains.

"On August 1st, 1949 Parts III and IV of The Canadian Wheat Board Act will be brought into force by The Canadian Wheat Board Regulations approved by the Governor-in-Council. The authorities in the three Prairie Provinces will be consulted with a view to having their Acts proclaimed."

2. LEGISLATION

(1) Under Order-in-Council P.C. 3713 dated July 20th, 1949, Parts III and IV of The Canadian Wheat Board Act were extended to oats and barley for the crop year commencing August 1st, 1949 and ending on July 31st, 1950, effective August 1st, 1949.

(2) The Governments of Manitoba, Saskatchewan and Alberta proclaimed their provincial legislation.

3. INITIAL PRICES

Under The Canadian Wheat Board Regulations for 1949-50 (Order-in-Council P.C. 3713 dated July 20th, 1949), the initial price of oats was established on the basis of 65 cents per bushel for No. 2 C.W. Oats in store Fort William or Port Arthur. The initial price of barley was established on the basis of 93 cents per bushel for No. 3 C.W. 6 Row Barley basis in store Fort William or Port Arthur.

The Board established, and Governor-in-Council approved (Order-in-Council P.C. 4011, August 10th, 1949) the following initial prices for other principal grades of oats and barley:

OATS		BARLEY	
(Price basis in store Fort William/Port Arthur)			
	per bus.		per bus.
Extra 3 C.W.	62c	No. 1 C.W. 6 Row.....	95c
No. 3 C.W.	62c	No. 2 C.W. 6 Row.....	95c
Extra No. 1 Feed.....	62c	No. 1 C.W. 2 Row.....	93c
No. 1 Feed.....	60c	No. 2 C.W. 2 Row.....	93c
No. 2 Feed.....	55c	No. 3 C.W. 6 Row.....	93c
No. 3 Feed.....	50c	No. 2 C.W. Yellow.....	91c
		No. 3 C.W. Yellow.....	89c
		No. 1 Feed.....	87c
		No. 2 Feed.....	83c
		No. 3 Feed.....	79c

4. OATS AND BARLEY PRODUCTION AND SUPPLIES

The area seeded to oats in the Prairie Provinces in 1949 was 7,339,000 acres as compared with 7,535,000 acres in 1948. Western oats production was 190 million bushels as compared with 224 million bushels in the previous year.

In 1949 Prairie barley acreage was 5,617,000 acres as compared with 6,082,000 acres in 1948. Barley production was 109 million bushels as compared with 142 million bushels in 1948.

Production of oats and barley in the Prairie Provinces reflected reduced acreages and particularly the unfavourable growing season experienced over wide areas in Saskatchewan and Alberta. Feed grain production in eastern Canada was sharply lower than in the previous crop year.

Commercial supplies of oats and barley carried into the crop year 1949-50 were relatively small, amounting to only 11 million bushels for each grain.

5. SALES POLICY—OATS AND BARLEY—1949-50

On August 4th, 1949 the Board issued a general statement of sales policy in respect to oats and barley which read as follows:

"At this time the Board has the following comments to make in regard to the sale of oats and barley:

- (1) The Board intends to sell oats and barley freely and to the best advantage, using the methods which suit these purposes;
- (2) The Board will sell oats and barley to dealers and others for distribution to users of these grains;
- (3) The Board recognizes that there are stocks of old crop oats and barley in Canada which are not the property of the Board and which are in the process of being marketed by the present holders.

"With these considerations in mind, the Board will use the sales procedures which it considers desirable and advantageous. The Board will use the futures market in the selling of oats and barley. At the same time, the Board is prepared to make outright sales of oats and barley in store Fort William/Port Arthur where buyers wish to purchase on this basis. To give effect to this policy,

the Board will quote prices for principal grades of oats and barley basis in store Fort William/Port Arthur. The Board will also establish prices of oats and barley for sale at country points in Western Canada and for shipment to British Columbia. These Board sale prices will be on a Fort William/Port Arthur basis.

"It will be appreciated that the Board is concerned only with oats and barley delivered by producers on and after August 1st, 1949. It will therefore be several weeks before the Board has stocks of oats and barley available at the Lakehead. However, the Board is prepared to sell limited quantities of cash oats and barley for delivery at the Lakehead in forward positions and the Board will also sell futures."

This policy was generally followed in selling oats and barley delivered to the Board in the 1949-50 Pool.

15. Board Operations to July 31st, 1950—Oats

1. BOARD RECEIPTS

The following table shows Board receipts of oats from producers during the crop year 1949-50:

Date	Bushels
August, 1949.....	3,265,531-21
September.....	19,893,276-17
October.....	18,727,414-10
November.....	8,678,338-28
December.....	5,003,139-20
January, 1950.....	4,240,241-33
February.....	1,786,375-06
March.....	2,502,272-20
April.....	1,570,019-14
May.....	2,865,052-15
June.....	4,828,585-08
July.....	6,837,530-09
Total.....	<u>80,197,777-31</u>

As shown by the above table, Board receipts of oats in 1949-50 amounted to 80,197,777-31 bushels. September and October were major delivery months but Board receipts were relatively heavy in the final eight weeks of the crop year.

2. POSITION OF THE 1949-50 OATS POOL—JULY 31ST, 1950

As at July 31st, 1950 the position of the 1949-50 Oats Pool was as follows:

	Bushels	
1. Oats Acquired by the Board:		
(a) Producers' Deliveries 1949-50.....	80,197,777-31	
(b) Oats Otherwise Acquired ¹	4,444-05	
Total Oats Acquired.....	80,202,222-02	
	(Value)	(Value)
2. Cost of Oats Acquired.....		\$48,785,091.89
3. Proceeds of Sales—August 1st, 1949 to July 31st, 1950 and Inventory:		
(a) Sales.....	\$60,214,425.76	
(b) Inventory—July 31st, 1950 ²	6,707,297.46	66,921,723.22
4. Gross Surplus as at July 31st, 1950.....		18,136,631.33
5. Operating Costs to July 31st, 1950:		
(a) Carrying Charges including Terminal Storage.....	1,538,046.50	
(b) Interest and Bank Charges.....	(93,527.42)	
(c) Freight Recovery on Export Oats.....	(15,362.58)	
(d) Handling, Stop-off and Diversion Charges.....	8,266.75	
(e) Drying, Re-conditioning Charges, and Grade Adjustments, etc.....	(16,483.52)	
(f) Brokerage and Clearing Association Charges.....	18,557.82	
(g) Administrative and General Expenses to July 31st, 1950.....	259,822.56	
Net Operating Costs.....		1,699,320.11
6. Surplus in 1949-50 Oats Pool as at July 31st, 1950.....		\$16,437,311.22

¹ Country Elevator and Terminal Overages, etc.

² Inventory Stocks of 7,155,413-30 bushels valued on the basis of the Board's closing selling prices on July 31st, 1950 in store Fort William/Port Arthur. Against this inventory the Board had open futures sales contracts as at July 31st, 1950 of 5,329,000-00 bushels.

3. OPERATING COSTS TO JULY 31ST, 1950—OATS

Carrying charges including terminal storage amounted to \$1,538,046.50 to July 31st, 1950, or 1.917 cents per bushel on Board receipts during the crop year.

Administrative and general expenses to July 31st, 1950 were \$259,822.56, or .324 cent per bushel on Board receipts of oats.

From August 1st, 1949 to July 31st, 1950 interest earned exceeded interest, bank charges, etc. paid, by \$93,527.42, while freight recoveries, drying, reconditioning, grade adjustments, etc. showed a net surplus of \$31,846.10.

4. SELLING PRICES

The following table shows the Board's monthly average quoted prices for No. 3 C.W. Oats and No. 1 Feed Oats for the crop year 1949-50 (Basis in store Fort William/Port Arthur):

	No. 3 C.W. Oats	No. 1 Feed Oats
	(cents per bushel)	
August, 1949.....	72 ³ / ₈	71 ³ / ₈
September.....	75	73 ³ / ₄
October.....	77 ³ / ₈	76 ³ / ₄
November.....	81 ¹ / ₈	79 ¹ / ₈
December.....	79	77 ¹ / ₂
January, 1950.....	77 ³ / ₈	75 ¹ / ₂
February.....	80 ³ / ₈	79 ¹ / ₂
March.....	93 ¹ / ₈	92 ¹ / ₂
April.....	101 ¹ / ₈	101 ¹ / ₈
May.....	108 ¹ / ₈	106 ¹ / ₄
June.....	115 ¹ / ₈	114 ¹ / ₄
July.....	98	97

During August, pending the harvesting of the 1949 crop, oats prices worked to the lowest levels of the crop year, No. 1 Feed Oats being quoted at 69 cents per bushel on August 30th. During September, prices advanced gradually, reflecting a moderate demand for new crop oats. The price of No. 1 Feed Oats ranged about the 80 cents per bushel level during November. Prices worked gradually lower in December and January,

but advanced sharply in the period February through June when oats supplies were generally insufficient to meet the high level of domestic and export demand. On June 7th the Board's selling price for No. 1 Feed Oats was \$1.22 per bushel, this being the highest price for this grade of oats recorded in the crop year. During July, prices declined sharply as development of the 1950 crop became the dominant market factor.

5. GENERAL COMMENT ON THE MARKETING OF OATS—1949-50

The following table shows deliveries to the Board and net sales, by months, and stocks of oats held by the Board at the end of each month:

	Deliveries to the Board	Net Sales of 1949 Crop by the Board (bushels)	Balance of 1949 Crop held by the Board at end of month
August, 1949.....	3,265,531-21	6,843,319-11	(3,577,787-24)
September.....	19,893,287-17	8,816,078-06	7,499,421-21
October.....	18,727,414-10	11,158,399-30	15,068,436-01
November.....	8,678,338-28	11,653,206-30	12,093,567-33
December.....	5,003,173-20	5,886,795-00	11,209,946-19
January, 1950.....	4,242,409-31	3,693,156-27	11,759,199-23
February.....	1,786,375-06	5,020,729-10	8,524,845-19
March.....	2,506,032-26	5,855,812-10	5,175,066-01
April.....	1,568,221-15	4,057,431-30	2,685,855-20
May.....	2,865,308-15	3,534,331-31	2,016,832-04
June.....	4,828,585-08	3,039,441-09	3,805,976-03
July.....	6,837,543-09	8,817,105-16	1,826,413-30
Total.....	80,202,222-02	78,375,808-06	

In establishing its sales programme for 1949-50 the Board, in late July, carefully examined current estimates of 1949 oats production. At that time good yields were in prospect in the important surplus producing areas of eastern Saskatchewan and Manitoba and the Board estimated that marketings by producers would range from 70 to 75 million bushels during the crop year, with perhaps 20 million bushels of these deliveries being withheld by producers for delivery in the Decem-

ber-July period. The Board's early estimate of total oats marketings, which turned out to be somewhat lower than actual marketings for the crop year, indicated that supplies of oats which would be delivered to the Board during the crop year 1949-50 would be in excess of domestic requirements, and the Board felt that it should not lose any time in getting on with its sales programme. As shown by the foregoing table, net sales in August were 6.8 million bushels.

As the season advanced, domestic demand improved and in the last half of September export demand appeared in good volume. These two factors had a firming effect on prices. Demand broadened considerably in October and the first half of November, which enabled the Board to make substantial sales of cash oats and futures. Net sales in September, October and November were 8.8 million bushels, 11.2 million bushels and 11.7 million bushels respectively.

By the close of navigation on the Great Lakes, substantial progress had been made in disposing of producers' marketings, which at that time amounted to about 56 million bushels. By mid-December, commercial disappearance of oats had amounted to about 36 million bushels, or about 39% of estimated commercial supplies available for the crop year 1949-50. About 11 million bushels had been shipped for export and about 25 million bushels had been used in Canada. Thus, during the fall months, substantial progress had been made in getting oats into consumption at home and abroad.

Board sales remained at a relatively high level in December and ranged from 3.7 million bushels to 5.8 million bushels per month during the January-April period. In May net sales were 3.5 million bushels.

In the five-month period from December 15th, 1949 to May 25th, 1950, domestic demand for oats was particularly active and moderate quantities were sold for export at the opening of navigation. Domestic use amounted to about 28 million bushels, while exports were about 7 million bushels. During this period the Board made cash oats available to the extent of available supplies. After the price weakness of December and January, prices responded to improving demand and the constantly narrowing supply position. By late May about 70 million bushels out of a total commercial supply of 90 million bushels (including stocks carried into the crop year) had been used in Canada or shipped for export.

In June net sales were 3.0 million bushels, while in the final month of the crop year Board sales increased to 8.8 million bushels. These sales reflected marketings by producers in the last sixty days of the crop year.

Sales shown in the preceding table included open futures sales contracts as at July 31st, 1950

of 5,329,000 bushels against inventory stocks of 7,155,413-30 bushels on the same date. This left the Board with net holdings of 1,826,413-30 bushels at the end of July, 1950.

As indicated by the foregoing comment, the Board sold oats freely throughout the crop year to the extent that its supply position permitted. This policy permitted an early winding-up of the 1949-50 Oats Crop Account and gave the new 1950 Crop practically a clear field in sales operations in the new crop year.

In selling oats in 1949-50 the Board sold futures and made flat sales. Of sales of 73,046,808-06 bushels, 12,639,820-28 bushels were sold flat, i.e., without exchanging futures contracts with buyers.

The Board purchased all oats from producers on the basis of its initial payments for the various grades and selection premiums for special qualities of oats were a matter of arrangement between producers and the handling companies.

During the crop year 1949-50 exports of oats amounted to 19.1 million bushels. The United States was the principal export market, taking 17.1 million bushels. Exports to Belgium and Switzerland were 1.4 million bushels and .5 million bushels respectively.

6. DISPOSITION OF OATS SUPPLIES

The following table shows commercial supplies in 1949-50 and their disposition (approximate):

	Million Bushels
Commercial Supplies on July 31st, 1949.....	11.5
Board Receipts.....	80.2
Total Commercial Supplies.....	<u>91.7</u>
DISPOSITION TO JULY 31st, 1950:	
Exports.....	19.1
Domestic Use*.....	62.1
Commercial Supplies on July 31st, 1950.....	10.5
Total Disposition.....	<u>91.7</u>

*Including oats used for the manufacture of products for export.

Of total commercial supplies of oats available for the crop year 1949-50, 19.1 million bushels or 20.8% were exported. The domestic market absorbed 62.1 million bushels, or 68% of available supplies. Year-end stocks were at minimum levels.

7. 1949-50 OATS POOL—FINAL ACCOUNTING

Since most of the oats in the 1949-50 Pool were sold prior to July 31st, 1950, it was possible to complete remaining sales and necessary accounting and auditing by September 30th, 1950. Final financial statements covering the 1949-50 Oats Pool are included in Part IV of this Report.

Date	Bushels
August, 1949.....	2,235,501-20
September.....	18,868,434-06
October.....	13,672,326-14
November.....	4,237,650-47
December.....	1,672,080-34
January, 1950.....	2,539,918-00
February.....	995,093-40
March.....	1,166,590-25
April.....	805,882-14
May.....	1,308,653-23
June.....	2,098,764-29
July.....	3,657,081-22
Total.....	<u>53,257,977-34</u>

16. Board Operations to July 31st, 1950—Barley

1. BOARD RECEIPTS

The following table shows Board receipts of barley from producers during the crop year 1949-50:

Board receipts of barley in 1949-50 amounted to 53,257,977-34 bushels. While Board receipts were heavily concentrated in September and October, receipts were relatively heavy in the final weeks of the crop year.

2. POSITION OF THE 1949-50 BARLEY POOL—JULY 31ST, 1950

As at July 31st, 1950 the position of the 1949-50 Barley Pool was as follows:

	Bushels	(Value)
1. Barley Acquired by the Board:		
(a) Producers' Deliveries 1949-50.....	53,257,977-34	
(b) Barley Otherwise Acquired ¹	989-42	
Total Barley Acquired.....	<u>53,258,967-28</u>	
2. Cost of Barley Acquired.....		\$47,108,311.52
3. Proceeds of Sales, August 1st, 1949 to July 31st, 1950 and Inventory:		
(a) Sales.....	\$69,071,928.42	
(b) Inventory—July 31st, 1950 ²	<u>6,643,391.65</u>	75,715,320.07
4. Gross Surplus as at July 31st, 1950.....		28,607,008.55
5. Operating Costs to July 31st, 1950:		
(a) Carrying Charges including Terminal Storage.....	1,326,006.26	
(b) Interest and Bank Charges.....	(280,853.78)	
(c) Freight Recovery on Export Barley.....	(17,100.72)	
(d) Handling, Stop-off and Diversion Charges.....	15,815.48	
(e) Drying, Re-conditioning, Grade Adjustments, etc.....	(334,310.84)	
(f) Brokerage and Clearing Association Charges.....	11,417.46	
(g) Administrative and General Expenses.....	<u>185,455.84</u>	906,429.70
6. Surplus in 1949-50 Barley Pool as at July 31st, 1950.....		<u>\$27,700,578.85</u>

¹ Country Elevator and Terminal Overages, etc.

² Inventory Stocks of 4,284,928-04 bushels valued on the basis of the Board's closing selling prices on July 31st, 1950 in store Fort William/Port Arthur. Against this inventory the Board had open futures sales contracts of 3,555,000 bushels as at July 31st, 1950.

3. OPERATING COSTS TO JULY 31st, 1950—

BARLEY

Carrying charges and terminal storage amounted to \$1,326,006.26, or 2.489 cents per bushel. Administrative and general expenses were \$185,455.84, or .3482 cent per bushel on total receipts.

Interest earnings on surplus funds exceeded interest and bank charges paid by \$280,853.78, while freight recoveries, drying, re-conditioning, grade adjustments, etc. resulted in a net surplus of \$351,411.56.

4. SELLING PRICES

The following table shows the Board's monthly average quoted prices for No. 3 C.W. 6 Row Barley and No. 1 Feed Barley for the crop year 1949-50 (Basis in store Fort William/Port Arthur):

	No. 3 C.W. 6 Row	No. 1 Feed
	(cents per bushel)	
August, 1949.....	132	125¼
September.....	140 ⁵ / ₈	136¼
October.....	155 ⁵ / ₈	139¾
November.....	159 ⁵ / ₈	141¾
December.....	151	131
January, 1950.....	139¼	119¼
February.....	140 ³ / ₈	120 ³ / ₈
March.....	161 ³ / ₈	133
April.....	174 ³ / ₄	141¾
May.....	170 ⁵ / ₈	142¾
June.....	179 ³ / ₈	151¼
July.....	173 ³ / ₈	150¾

Barley prices reflected the reduced supplies of both feed and malting barleys for the crop year 1949-50. A considerable portion of producers' deliveries were suitable for malting purposes and were sold for malting use in Canada and the United States at a substantial premium over feed grades.

Apart from a price recession in December and January, the trend of barley prices was upward in the first eleven months of the crop year. Prices declined moderately in July, 1950.

5. GENERAL COMMENT ON THE MARKETING OF BARLEY—1949-50

The following table shows deliveries to the Board and net sales, by months, and stocks of barley held by the Board at the end of each month:

	Deliveries to the Board	Net Sales of 1949 Crop by the Board (bushels)	Balance of 1949 Crop held by the Board at end of month
August, 1949.....	2,235,501-20	6,386,088-21	(4,150,587-01)
September.....	18,868,508-06	6,603,511-01	8,114,410-04
October.....	13,672,419-04	7,223,776-29	14,563,052-27
November.....	4,237,798-23	4,126,609-40	14,674,241-10
December.....	1,672,268-20	2,543,190-28	13,803,319-02
January, 1950.....	2,540,024-00	2,120,570-09	14,222,772-41
February.....	995,093-40	3,366,076-05	11,851,790-28
March.....	1,166,648-01	4,833,681-47	8,184,756-30
April.....	806,064-26	3,296,571-25	5,694,249-31
May.....	1,308,669-47	3,075,099-04	3,927,820-26
June.....	2,098,877-35	2,883,801-19	3,142,896-42
July.....	3,657,093-46	6,070,062-36	729,928-04
Total.....	<u>53,258,967-28</u>	<u>52,529,039-24</u>	

In late July, 1949 the Board gave consideration to probable 1949 production and the indicated quality of the new crop. At that time the 1949 barley crop promised a yield very much lower than in recent years. There were also indications that the 1949 barley crop would be of high grade and would include a substantial proportion of barley of malting grades or barley suitable for malting

purposes. As harvesting progressed these two factors were confirmed; first, in the estimate of the 1949 Prairie barley crop of 109 million bushels and, later, by the grades of barley delivered to the Board by producers.

Barley for malting is normally purchased in good volume in the fall months either for the domestic malting industry or for export, prin-

cipally to the United States. This fact was taken into consideration by the Board in connection with its 1949-50 sales policy.

Net sales of barley in August, September and October were 6.4 million bushels, 6.6 million bushels and 7.2 million bushels respectively. In November and December net sales averaged about 3.3 million bushels per month.

These sales included substantial quantities of barley for malting. The usual buying policy of domestic and United States maltsters is to accumulate most of their requirements when the barley is moving in volume during the fall.

From August 1st, 1949 to December 15th, 1949 about 8.2 million bushels of barley were exported, and domestic use amounted to about 14.9 million bushels. Total utilization of barley during the fall period amounted to about 23.1 million bushels.

In January sales were relatively small, amounting to 2.1 million bushels. Domestic and export sales for the opening of navigation were reflected in February and March sales which were 3.4 and 4.8 million bushels respectively. In April net sales were 3.3 million bushels and in May 3.1 million bushels, both months reflecting the limited supply position at that time.

During the period from December 15th, 1949 to May 25th, 1950, barley utilization was on about the same scale as during the fall months. During this period about 16 million bushels were used in Canada and about 6.5 million bushels were exported.

Sales were slightly lower in June at 2.9 million bushels, and in July net sales amounted to 6.1 million bushels, reflecting late season deliveries by producers.

Net sales figures in the above table included open futures sales contracts of 3,555,000 bushels as at July 31st, 1950 applicable against inventory stocks of 4,284,928-04 bushels as at the same date.

As compared with oats, a larger percentage of barley was sold on a flat basis. Flat sales amounted to 14,779,441-40 bushels out of sales of 48,974,039-24 bushels to July 31st, 1950.

Throughout the crop year, the Board purchased barley from producers at its initial prices for the various grades and, as in the past, producers were free to make their own arrangements with handling companies for special quality premiums.

During 1949-50 barley exports were 17.5 million bushels, of which 16.2 million bushels went to the United States. United States imports consisted mainly of barley suitable for malting. Small quantities of feed barley were exported to Belgium and Norway.

6. BARLEY SUPPLIES AND DISPOSITION

The following table shows commercial supplies of barley in 1949-50 and their disposition (approximate):

	Million Bushels
Commercial Supplies on July 31st, 1949.....	10.9
Board Receipts.....	53.3
Total Commercial Supplies.....	<u>64.2</u>
DISPOSITION TO JULY 31ST, 1950:	
Exports.....	17.5
Domestic Use.....	37.8
Commercial Supplies on July 31st, 1950.....	8.9
Total Disposition.....	<u>64.2</u>

Exports of barley amounted to 17.5 million bushels, or 27.3% of available supplies. A total of 37.8 million bushels was used in the domestic market for industrial and feed purposes. Domestic use accounted for 59% of available supplies. Year-end stocks of barley amounted to 8.9 million bushels.

7. 1949-50 BARLEY POOL—FINAL ACCOUNTING

Since most of the barley in the 1949-50 Pool was sold prior to July 31st, 1950, it was possible to complete remaining sales and necessary accounting and auditing by September 30th, 1950. Final financial statements covering the 1949-50 Barley Pool are included in Part IV of this Report.

17. Board Operations to July 31st, 1950—Flaxseed

1. GOVERNMENT POLICY

For the crop year 1949-50 the Government of Canada authorized the Board to administer a voluntary Flaxseed Pool.

Provision for the Pool was made under Part IV of The Canadian Wheat Board Regulations for 1949-50. Under these regulations the initial price was established at \$2.50 per bushel basis No. 1 C.W. Flaxseed in store Fort William/Port Arthur. Provision was made for the issuing of producers' certificates to producers delivering flaxseed to the Board and for the distribution of any surplus arising from the sale of flaxseed delivered to the Board, less operating and final payment expenses.

2. 1949 CROP ACCOUNT—FLAXSEED— TO JULY 31ST, 1950

Since market prices for flaxseed remained substantially above the Board initial price throughout the crop year 1949-50, Board receipts amounted to only 24,219-38 bushels. These deliveries were sold during the crop year, yielding a surplus of \$29,725.69 as at July 31st, 1950.

After adding interest to August 16th, 1950 and deducting payment expenses, the net surplus distributed to 272 producers delivering flaxseed to the 1949-50 Pool was \$29,631.54.

The principal grade of flaxseed delivered to the 1949-50 Pool was No. 1 Canada Western. On this grade the Board realized \$3.743 per bushel after deducting handling and administrative charges. The final payment to producers on No. 1 C.W. Flaxseed was \$1.243 per bushel, being the difference between the initial payment of \$2.50 per bushel and the net realization of \$3.743 per bushel. The final payment of \$1.243 per bushel applied on all grades excepting No. 3 C.W. Flaxseed, Sample Flaxseed Heated, and Flax and Broken Grain, for which the final payments were \$1.193, \$1.143, and \$0.80 per bushel respectively.

3. 1948 CROP ACCOUNT—FLAXSEED— TO JULY 31ST, 1950

During the crop year 1949-50, Board holdings of 1948 Crop Account Flaxseed were reduced from 10,378,431-19 bushels to 3,922,425-03 bushels. As at July 31st, 1950 the deficit in the 1948 Flaxseed Account was \$6,345,954.14, of which \$3,881,963.67 was paid by the Government of Canada on March 27th, 1950.

4. 1948 CROP ACCOUNT—FLAXSEED— AS AT NOVEMBER 30th, 1950

On July 31st, 1950 the flaxseed inventory (1948 Crop Account) was 3,922,425-03 bushels. This inventory was sold by November 30th, 1950, and Part IV of this Report includes the position of the 1948 Crop Account as at November 30th, 1950.

18. Staff and Officers

The following table shows the number of employees of the Board on July 31st, 1949 and July 31st, 1950:

	July 31st, 1949	July 31st, 1950
Head Office—Winnipeg.....	477	609
Calgary, Alta.....	27	31
Vancouver, B.C.....	16	16
Washington, D.C.....	2	....
London, England.....	2	4
	<u>524</u>	<u>660</u>

Between July 31st, 1949 and July 31st, 1950 there was an increase of 136 in the number of employees of the Board. The increase was largely due to the additional work devolving on the Board in the handling of oats and barley as from August 1st, 1949, and additional work in the consolidation of producers' records preparatory to a final payment on the 1945-49 Pool Account.

The work of the London Office increased substantially during the year, largely as a result of Canada's participation in the International Wheat Agreement.

19. Board Changes

Owing to ill health, Dr. T. W. Grindley resigned as Commissioner of the Board in July, 1950. Dr. Grindley continued with the Board in an executive capacity.

Mr. W. Riddell, formerly Assistant General Manager, Saskatchewan Pool Elevators Limited, was appointed to the Board effective from August 1st, 1950.

20. Legal Department

In addition to the work arising from the 1950 Amendments to The Canadian Wheat Board Act, the Legal Department dealt with matters of a legal nature affecting the operations of the Board during the crop year 1949-50. A substantial part of the work of the Legal Department was in connection with payments, with particular reference to lost certificates and producers' certificates involved in estates.

There were 91 prosecutions for breaches of grain regulations in 1949-50 as compared with 17 prosecutions during the previous crop year.

21. Advisory Committee

During the crop year 1949-50 three meetings of the Advisory Committee were held. Members of the Advisory Committee during 1949-50 were: L. Hutchinson, (Chairman) Calgary, Alta.; D. I. Walker, Toronto, Ont.; J. C. A. Nijdam, Winnipeg, Man.; F. H. Clendenning, Vancouver, B.C.; J. Theo Roy, Montreal, Que.; J. H. Wesson, Regina, Sask.; R. C. Brown, Winnipeg, Man.; F. Pettypiece, Auld, Ont.; J. A. McCowan, Summerberry, Sask.; P. Farnalls, Halkirk, Alta.; C. E. Hayles, Winnipeg, Man.

PART II

FINANCIAL STATEMENTS

The financial statements of The Canadian Wheat Board for the fiscal year ended July 31st, 1950 are presented in this part of the Report and consist of a Consolidated Balance Sheet (Exhibit I) which sets forth the financial position of the Board as at the foregoing date, together with other statements showing the results of Board operations to the close of the fiscal period, all as tabulated in the index preceding the financial statements and as discussed in Part I of this Report.

CONSOLIDATED BALANCE SHEET

The consolidated financial position of The Canadian Wheat Board as at July 31st, 1950 is set forth in Exhibit I and the details of the component items which appear on the Consolidated Balance Sheet are tabulated on Exhibits II and III. In respect to some of the items appearing on the Consolidated Balance Sheet, the following comments are submitted:

Funds on Deposit—\$36,402,985.52

In accordance with the provisions of Order-in-Council P.C. 919 of February 24th, 1949, the initial price paid to producers on the 1945-49 Pool Account was increased from \$1.55 to \$1.75 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This increase became effective on April 1st, 1949 and, under terms of the same Order, the Board was directed to pay to producers the sum of 20 cents per bushel in respect to deliveries by producers to the Board on the 1945-49 Pool Account for the period from August 1st, 1945 to March 31st, 1949. This payment involved a cash distribution by the Board of \$213,445,541.88 which was commenced on April 1st, 1949. Available funds in the hands of the Board on April 1st, 1949, together with the funds received subsequently through the Board's daily operations were sufficient to meet all cash requirements until June 8th, 1949 on which date the Board's surplus funds became exhausted.

On June 9th, 1949, the Board commenced to borrow its daily cash requirements from the chartered banks at the established interest rate of 3% per annum compounded monthly. The

borrowing from the chartered banks continued until June 6th, 1950 on which date all bank loans had been repaid and the Board reverted to the position of a depositor with the chartered banks. As at July 31st, 1950, the Board had accumulated funds on deposit totalling \$36,402,985.52.

Stocks of Grain, etc.—\$206,963,489.72

WHEAT STOCKS

As at July 31st, 1950 stocks of wheat held by the Board totalled 92,008,613-42 bushels comprising stocks in store country elevators, in store terminal elevators and mills, in transit and in the custody of Agents. During July, 1950, the Government of Canada announced that effective from August 1st, 1950 the Board's domestic sales price for wheat would be the same as the Board's selling price for wheat supplied under the terms of the International Wheat Agreement. The inventory as at July 31st, 1950 has been valued at the International Wheat Agreement price effective at the close of business on July 31st, 1950, viz., \$1.98 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver.

Stocks in the custody of Agents represent wheat sold provisionally to Agents of the Board for which the Board had not received a final accounting in respect to the ultimate disposition of these stocks.

The Board receives an advance from its Agents for wheat sold on a provisional basis and, as at July 31st, 1950, this advance was basis \$2.00 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, plus an allowance of 6 cents per bushel for carrying charges. Following the announcement that effective August 1st, 1950 the Board's domestic sales price would be the same as the Board's International Wheat Agreement price, the amount of the advance received by the Board from its Agents was reduced to the basis of \$1.98 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, which is the maximum price at which the Board sells wheat under the International Wheat Agreement and in the domestic market on and after August 1st,

1950. As at July 31st, 1950 advances received from Agents totalled \$64,481,421.47 as shown on the Consolidated Balance Sheet.

OATS AND BARLEY STOCKS

Stocks of oats and barley as at July 31st, 1950 in store country and terminal elevators and in transit were 7,155,413-30 bushels and 4,284,928-04 bushels respectively. These inventories of oats and barley have been valued on the basis of the Board's closing selling prices, July 31st, 1950.

Stocks of oats and barley held by the Board and which had been sold but were undelivered as at the year end date were 63,012-22 bushels and 434,402-16 bushels respectively, and these stocks have been valued at sales prices in the inventory valuation.

FLAXSEED STOCKS

Unsold stocks of flaxseed held by the Board at July 31st, 1950 amounted to 3,922,425-03 bushels comprising flaxseed in store terminal elevators and in the custody of Agents. The inventory of flaxseed stocks has been valued basis the closing market prices July 31st, 1950.

Stocks of flaxseed in the custody of Agents consist of stocks of Western flaxseed sold to Agents on a provisional basis and for which a final accounting as to ultimate disposition had then to be received by the Board. In respect to these provisional sales of flaxseed the Board receives an advance from its Agents and as at July 31st, 1950 this advance was basis \$3.80 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur. Advances so received by the Board totalled \$4,810,071.86 as at July 31st, 1950 as shown on the Consolidated Balance Sheet.

Accounts Receivable—\$11,124,721.81

This item consists principally of the following:

- (a) Amounts due from Agents of the Board in respect to sales which have been completed but for which final accountings were not received by the Board until subsequent to the year end date.

- (b) Amount due from the United Kingdom Government for additional winter storage costs in accordance with an arrangement negotiated under the provisions of the Canada-United Kingdom Wheat Agreement.

Grain Trade Memberships—\$12,585.69

The Board owns memberships in the Winnipeg Grain Exchange, the Vancouver Grain Exchange, the Winnipeg Grain and Produce Exchange Clearing Association Limited, and the Lake Shippers' Clearance Association. These memberships are stated at cost less recorded dividends received to July 31st, 1950.

The Canadian Wheat Board Building, at cost less depreciation—\$418,800.00

Under the authority of Order-in-Council P.C. 146/2800 the Board purchased The Canadian Wheat Board Building on August 31st, 1946 at a cost of \$450,000.00 for the land and buildings. During the 1948-49 crop year major alterations and repairs to the building were required and were completed at a cost of \$39,409.10, which amount was amortized over a period of three years. The amount of \$13,136.37 chargeable to Board operations for the 1949-50 crop year is included in the item of \$151,318.31 shown in Exhibit XV. The deferred portion of these expenditures amounting to \$13,136.37 is included in the item of \$27,890.18 as shown on the Consolidated Balance Sheet.

In accordance with instructions received from the Government of Canada the Board was directed to pay, and without admitting any liability for taxes levied by the City of Winnipeg, a grant of \$28,689.95 to the City of Winnipeg in lieu of property and business taxes for the calendar year 1950. Of this amount \$16,742.72 is applicable to Board operations for the period from January 1st to July 31st, 1950 and is included in the item of \$151,318.31 as shown in Exhibit XV. The balance of \$11,947.23 has been deferred and will be charged to operations of the 1950-51 crop year. This amount is included in the item of \$27,890.18 as shown on the Consolidated Balance Sheet.

Depreciation has been provided on the building for the year ended July 31st, 1950 at the rate of 2% per annum, amounting to \$7,800.00.

Due from the Government of Canada—\$2,135,429.39

Details of the amount due from the Government of Canada are set forth in Exhibit IX and consist of the following:

(a) Expenses incurred by the Board in the administration of Delivery Quotas and Permit Regulations for the year ended July 31st, 1950.....	\$ 76,515.06
(b) Net amount due including interest to July 31st, 1950 on special operations undertaken by the Board on behalf of the Government of Canada for the period from March 18th, 1947 to July 31st, 1950.....	2,058,914.33
	<u>\$2,135,429.39</u>

With respect to the above amount the Board received \$60,000.00 from the Government of Canada on August 30th, 1950 as a partial payment on the amount due in respect to item (a) above. Settlement of the remaining balance of \$2,075,429.39 is anticipated with the Government of Canada during the 1950-51 crop year.

Liability to Agents—\$72,191,686.44

Grain companies acting in the capacity of Agents of the Board accept deliveries from producers at country elevators and on behalf of the Board pay the producers basis the Board's fixed initial price in effect. Settlement is not made by the Board for these purchases until delivery to the Board is completed by its Agents. The liability to Agents amounting to \$72,191,686.44 represents the amount payable by the Board to its Agents for purchases from producers at country elevator points to July 31st, 1950 for which delivery to and settlement by the Board will be completed subsequent to the date of the Balance Sheet.

Amounts Due to Producers—\$224,800.95

As at July 31st, 1950 uncompleted settlements with producers in respect to Emergency Wheat Receipts issued on the 1945 and 1946 Crop Accounts amounted to \$87,671.09 and consisted of the following:

1946 Crop Emergency Wheat Receipts outstanding.....	\$26,518.23
Cheques outstanding:	
1945 Crop Account.....\$ 3,136.65	
1946 Crop Account..... 58,016.21	61,152.86
	<u>\$87,671.09</u>

During the period from August 1st to December 31st, 1950 this liability was reduced to \$32,455.01 consisting of outstanding cheques valued at \$16,551.28 and eight outstanding 1946 Crop Emergency Wheat Receipts held by two producers and valued at \$15,903.73. Emergency Wheat Receipts were issued on the 1946 Crop Account under the authority of Order-in-Council P.C. 1890 of May 13th, 1947 and in terms of the same Order receipts so issued were payable by the Board on or before December 31st, 1949. Repeated attempts have been made by the Board to obtain from producers the remaining original 1946 Crop Emergency Wheat Receipts still outstanding in order that settlement can be completed.

Other amounts shown as due to producers consist entirely of outstanding cheques in the hands of producers which were issued on the several Coarse Grain Equalization and Adjustment Payments as indicated in Exhibit XIII.

Amounts Due to Producers on Outstanding Certificates and Cheques—\$5,580,937.74

The amounts due to producers on outstanding wheat participation certificates and cheques in respect to the final payments on the 1940 to 1944 Crop Accounts inclusive are as follows:

	Outstanding Certificates	Outstanding Cheques	Total
1940 Crop Account.....	\$ 110,942.52	\$ 17,689.44	\$ 128,631.96
1941 Crop Account.....	58,020.62	8,984.56	67,005.18
1942 Crop Account.....	64,965.75	10,840.71	75,806.46
1943 Crop Account.....	270,418.52	45,749.12	316,167.64
1944 Crop Account.....	414,466.83	109,053.39	523,520.22
	<u>\$ 918,814.24</u>	<u>\$192,317.22</u>	<u>\$1,111,131.46</u>

During the period from August 1st to December 31st, 1950 the Board paid \$282,251.10 in respect to the above liability of \$1,111,131.46.

Since August 1st, 1945 there have been three adjustment payments authorized in respect to producers' deliveries on the 1945-49 Pool Account and in respect to these payments the Board still had to disburse as at July 31st, 1950 the sum of \$4,464,907.84 which consisted of the following:

	Outstanding Certificates	Outstanding Cheques	Total
10 Cent Adjustment Payment.....	\$ 124,966.83	\$ 20,892.15	\$ 145,858.98
First 20 Cent Adjustment Payment.....	1,167,706.16	176,070.41	1,343,776.57
Second 20 Cent Adjustment Payment.....	2,257,767.80	717,504.49	2,975,272.29
	<u>\$3,550,440.79</u>	<u>\$914,467.05</u>	<u>\$4,464,907.84</u>

Of the total amount outstanding the Board paid \$965,096.80 during the period from the Balance Sheet date to December 31st, 1950.

Accrued Expenses and Accounts

Payable—\$2,793,201.12

This item comprises in the main sundry accounts unpaid as at July 31st, 1950, together with accrued carrying charges, storage charges, etc. to that date.

STATEMENTS OF OPERATIONS

1945-49 Pool Account, Western

Division—Exhibit IV

The operations of the Board on the 1945-49 Pool Account for the period from August 1st, 1945 to July 31st, 1950 resulted in a surplus of \$61,474,436.07 as set forth in Exhibit IV. This surplus has been determined after valuing stocks of wheat on hand at July 31st, 1950 on the basis of \$1.98 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver,

but without provision for carrying costs, interest, etc. beyond the close of the fiscal year. The indicated surplus should not be viewed as the amount which will be distributed to producers as a final payment on the basis of the participation certificates which were issued on the 1945-49 Pool Account.

As a result of the three increases in the initial price paid to producers delivering wheat to the Board on the 1945-49 Pool Account, the Board was directed to distribute the adjustment payments referred to above in order to equalize the initial payment to producers on the 1945-49 Pool Account to \$1.75 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. The total amount of these adjustment payments, together with the expenses incident to the distribution, has been provided for in the determination of the surplus on the 1945-49 Pool Account to July 31st, 1950.

Oats and Barley Division— Exhibits V, VI and X

Under the authority of The Canadian Wheat Board Act and Order-in-Council P.C. 3713 of July 20th, 1949, the Board was authorized to purchase from producers during the 1949-50 crop year oats and barley produced in the designated area, and to pay to producers a fixed initial price basis 65 cents per bushel for No. 2 Canada Western Oats in store Fort William/Port Arthur and a fixed initial price basis 93 cents per bushel for No. 3 Canada Western 6 Row Barley in store Fort William/Port Arthur.

The operations of the Board on the 1949 Crop Oats and Barley Accounts resulted in surpluses to July 31st, 1950 of \$16,437,311.22 and \$27,700,578.85 respectively, as set forth in Exhibits V and VI. These surpluses have been determined after valuing stocks of oats and barley on hand at July 31st, 1950 at prices on that date, basis in store Fort William/Port Arthur, but without provision for carrying costs, interest, etc. beyond the close of the fiscal year. The indicated surpluses should not be viewed as the amounts for distribution to producers.

Order-in-Council P.C. 1292 of April 3rd, 1947 provided that oats and barley stocks, whole or processed, in commercial channels in Canada as at March 17th, 1947 be vested in the Board. A substantial amount of the oats and barley delivered to the Board under the terms of this Order was delivered under protest and, as at July 31st, 1948, 40,000-00 bushels of barley still had not been delivered to the Board. Action was commenced by the Board to recover possession of this barley and the documents relating thereto for the Crown pursuant to the terms of the said Order. The action was heard in March, 1948, by the Chief Justice of the Court of King's Bench in Winnipeg and in his Judgment the Board's claim to the barley was dismissed. An appeal from this Judgment to the Court of Appeal of Manitoba was dismissed on March 10th, 1949. A further appeal was launched with the Supreme Court of Canada and on November 20th, 1950 this appeal was also dismissed. This decision is now under consideration by the Law Officers of the Crown.

Transactions in oats and barley acquired under the terms of this Order resulted in a surplus of \$6,729,866.13 to July 31st, 1950 as set forth in Exhibit X. In terms of the Order this surplus is

payable to the Consolidated Revenue Fund of the Government of Canada and an amount of \$6,324,789.99 was remitted to Ottawa on March 31st, 1948. Subject to interest and other adjustments beyond the close of the fiscal year the balance of the surplus amounting to \$405,076.14 will be paid to the Government of Canada as required by the Order.

Flaxseed Division—Exhibits VII and VIII

In terms of Order-in-Council P.C. 3713 of July 20th, 1949 the Board was empowered and directed to buy all flaxseed produced in the designated area and offered by producers for sale and delivery to the Board during the 1949-50 crop year. The Board was also directed to pay to producers a fixed initial price for flaxseed sold and delivered to the Board basis \$2.50 per bushel for No. 1 Canada Western Flaxseed in store Fort William/Port Arthur. Marketing operations in respect to flaxseed acquired in terms of this Order were completed as at July 31st, 1950 and resulted in a surplus of \$29,725.69 to that date. The surplus distributable to producers as a final payment was determined on August 16th, 1950 in the amount of \$29,631.54 computed as follows:

Surplus on operations to July 31st, 1950.....	\$29,725.69
Interest thereon to August 16th, 1950.....	5.85
	<hr/> 29,731.54
Deduct estimated costs of issuing final payment.....	100.00
	<hr/>
Net surplus payable to producers as at August 16th, 1950.....	<u>\$29,631.54</u>

All cheques for the final payment on the 1949 Crop Flaxseed Account were mailed to producers on August 18th, 1950.

Under the authority of Order-in-Council P.C. 3376 of July 28th, 1948, the Board was empowered to purchase Winnipeg flaxseed futures or cash flaxseed for the purpose of assuring to producers of this grain a minimum price of \$4.00 per bushel for No. 1 Canada Western Flaxseed basis in store Fort William/Port Arthur and for No. 1 Canada Eastern Flaxseed basis in store Montreal. Marketing operations in respect to flaxseed acquired in terms of this Order resulted in a deficit to July 31st, 1950 of \$6,345,954.14 as set forth in Exhibit VIII. This deficit has been determined after valuing holdings of flaxseed at July 31st, 1950 on the basis of the closing market quotations on that date, but without provision for carrying costs, interest, etc. beyond the year end date.

This deficit, therefore, should not be viewed as the final deficit which will be paid by the Government of Canada in accordance with the provisions of The Canadian Wheat Board Act. In respect to the deficit on the 1948 Crop Flaxseed Account the Board received \$3,881,963.67 from the Government of Canada on March 27th, 1950.

Refund Account—Exhibit XII

On behalf of the Government of Canada and under the authority of Order-in-Council P.C. 3376 of July 28th, 1948 and Order-in-Council P.C. 4287 of September 29th, 1948, the Board administered the payment of refund to flour millers and wheat processors for the period from August 1st, 1948 to March 22nd, 1949, on which latter date refund payments were discontinued in accordance with the provisions of Order-in-Council P.C. 1458 of March 29th, 1949. The results of operations on this account for the fiscal year under review are set forth in Exhibit XII and at the date of this Report transactions on this account have still not been completed. Order-in-Council P.C. 3376 of July 28th, 1948 also provided that the Government of Canada would reimburse the Board for the amount of all refunds paid by the Board, the interest thereon, and for the expenses incurred by the Board in the administration of the refund regulations.

The Report of the Board's Auditors on the financial statements for the year ended July 31st, 1950 is contained in Part III of this Report.

In this Report and in the financial statements which follow, we have endeavoured to describe the administration of wheat policy, other operations under The Canadian Wheat Board Act, and special operations on behalf of the Government of Canada for the year ended July 31st, 1950.

In conclusion we would like to record our appreciation of the loyal and conscientious service rendered by the staff of the Board.

Drawback Account—Exhibit XI

Drawback regulations administered by the Board on behalf of the Government of Canada and in accordance with the provisions of the various Orders-in-Council incident to drawback administration were revoked, effective September 13th, 1947 under terms of Order-in-Council P.C. 4145 of October 17th, 1947. A summary of the operations on drawback accounts for the year ended July 31st, 1950 is set forth in Exhibit XI. As at the date of this Report there are some transactions on this account to be finalized. The amount shown on Exhibit XI as "Refund of Excess Profits" represents the recorded receipts from the Commodity Prices Stabilization Corporation Limited during the 1949-50 fiscal year.

Schedule of Administrative and General Expenses—Exhibit XV

The total expenditures under this heading for the year under review amounted to \$2,025,442.66 comprising expenses incurred at the Winnipeg, Calgary, Vancouver and London (England) offices of the Board. Details of these expenditures and the allocations to Board operations and to operations conducted by the Board on behalf of the Government of Canada are set forth in Exhibit XV.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

Winnipeg, Manitoba
January 15th, 1951.

THE CANADIAN WHEAT BOARD
INDEX TO FINANCIAL STATEMENTS
31st July 1950

- Exhibit I. Consolidated Balance Sheet.*
- Exhibit II. Statement of Assets and Liabilities.*
- Exhibit III. Statement of Assets and Liabilities — Coarse Grains and Sundry Accounts.*
- Exhibit IV. Statement of Operations, 1945-49 Pool Account, Western Division.*
- Exhibit V. Statement of Operations, 1949 Crop Oats Account, Western Division.*
- Exhibit VI. Statement of Operations, 1949 Crop Barley Account, Western Division.*
- Exhibit VII. Statement of Operations, 1949 Crop Account, Flax Division.*
- Exhibit VIII. Statement of Operations, 1948 Crop Account, Flax Division.*
- Exhibit IX. Statement of Amounts due from and due to the Government of Canada, together with Funds received during the year.*
- Exhibit X. Statement of Operations, Oats and Barley Account — P.C. 1292.*
- Exhibit XI. Statement of Drawback Account for the year ended 31st July 1950.*
- Exhibit XII. Statement of Refund Account for the year ended 31st July 1950.*
- Exhibit XIII. Statement of Final Payments to Producers.*
- Exhibit XIV. Statement of Provisions for Final Payment Expenses.*
- Exhibit XV. Schedule of Administrative and General Expenses and Allocations to Operations for the year ended 31st July 1950.*

THE CANADIAN
CONSOLIDATED
As at 31

A S S E T S

Funds on deposit.....		\$ 36,402,98
Stocks of cash grain, etc. — (In terms of inventories prepared by responsible officials):		
Wheat stocks — valued on the basis of \$1.98 per bushel for One Northern in store Fort William/Port Arthur or Vancouver.....	\$178,587,558.59	
Oats stocks — valued on the basis of the Board's closing selling prices 31st July 1950 in store Fort William/Port Arthur.....	6,707,297.46	
Oats sold but not delivered — valued at contract prices.....	59,787.21	
Barley stocks — valued on the basis of the Board's closing selling prices 31st July 1950 in store Fort William/Port Arthur.....	6,643,391.65	
Barley sold but not delivered — valued at contract prices....	729,772.22	
Flax stocks — valued on the basis of closing market prices 31st July 1950 in store Fort William/Port Arthur.....	14,235,682.59	206,963,48
Accounts receivable.....		11,124,72
Memberships — In the Winnipeg and Vancouver Grain Exchanges, the Winnipeg Grain and Produce Exchange Clearing Association and the Lake Shippers' Clearance Association		12,58
The Canadian Wheat Board Building, Winnipeg, at cost less depreciation.....		418,80
Deferred and prepaid expenses.....		27,89
Office furniture, equipment and automobiles, at cost less depreciation.....		99,88
Due from the Government of Canada.....		2,135,42
		<u>\$257,185,78</u>

Approved:

GEO. MCIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDELL,
Commissioner

WHEAT BOARD BALANCE SHEET July 1950

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Board.....		\$ 72,191,686.44
Accounts due to Producers:		
Western Division:		
Emergency wheat receipts.....	\$ 87,671.09	
Balance outstanding on Coarse Grains equalization funds and adjustment payments.....	131,476.34	
Eastern Division:		
Balance of final payments on Ontario wheat equalization funds.....	5,653.52	224,800.95
Accounts due to Producers on outstanding certificates and cheques:		
Western Division:		
Balance of final payments on 1940 to 1944 Wheat Crop Accounts.....	1,111,131.46	
Balance of wheat adjustment payments on Producers' deliveries from 1st August 1945 to 31st March 1949.....	4,464,907.84	
Eastern Division:		
Balance of final payments on 1939 and 1940 Wheat Crop Accounts.....	4,898.44	5,580,937.74
Provisions for final payment expenses.....		1,107,083.75
Drawback Account — balance of appropriations.....		175,269.94
Refund Account — balance of appropriations.....		179,259.14
Advances received on stocks in custody of Agents:		
Wheat.....	64,481,421.47	
Flax.....	4,810,071.86	69,291,493.33
Accrued expenses and accounts payable.....		2,793,201.12
Surpluses resulting from operations to 31st July 1950:		
1945-49 Pool Account — Wheat.....	61,474,436.07	
1949 Crop Account — Oats.....	16,437,311.22	
1949 Crop Account — Barley.....	27,700,578.85	
1949 Crop Account — Flax.....	29,725.69	105,642,051.83
		<u>\$257,185,784.24</u>

This is the Consolidated Balance Sheet which is referred to in our report of this date.

Winnipeg, Manitoba,
14th January, 1951.

MILLAR, MACDONALD & CO.
Chartered Accountants
Auditors.

THE CANADIAN
STATEMENT OF ASSETS
As at 31

ASSETS

Funds on deposit.....	
Stocks of cash grain, etc:	
Wheat stocks.....	
Oats stocks.....	
Oats sold but not delivered.....	
Barley stocks.....	
Barley sold but not delivered.....	
Flax stocks.....	
Accounts receivable.....	
Grain trade memberships.....	
The Canadian Wheat Board Building, Winnipeg.....	
Deferred and prepaid expenses.....	
Office furniture, equipment and automobiles.....	
Due from the Government of Canada — (Exhibit IX).....	

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Board.....	
Amounts due to Producers:	
Western Division — Emergency wheat receipts — P.C. 1243 and 1890.....	
— Balance outstanding on Coarse Grains equalization funds and adjustment payments — (Exhibit XIII).....	
Eastern Division — Balance of final payments on Ontario wheat equalization funds — (Exhibit XIII).....	
Amounts due to Producers on outstanding certificates and cheques:	
Western Division — Balance of final payments on 1940 to 1944 Wheat Crop Accounts — (Exhibit XIII).....	
— Balance of wheat adjustment payments on Producers' deliveries from 1st August 1945 to 31st March 1949.....	
Eastern Division — Balance of final payments on 1939 and 1940 Wheat Crop Accounts.....	
Provisions for final payment expenses — (Exhibit XIV).....	
Drawback Account — balance of appropriations — (Exhibit XI).....	
Refund Account — balance of appropriations — (Exhibit XII).....	
Advances received on Agency wheat and flax stocks.....	
Accrued expenses and accounts payable.....	
Surpluses resulting from operations.....	
Amounts due to and from other Board accounts.....	

WHEAT BOARD AND LIABILITIES July 1950

1945-49 Pool Account	1940 to 1944 Wheat Crops Final Payment Accounts	Coarse Grains and Sundry Accounts (Exhibit III)	Totals for Consolidated Balance Sheet
36,047,261.14		\$ 355,724.38	\$36,402,985.52
78,587,558.59			178,587,558.59
		6,707,297.46	6,707,297.46
		59,787.21	59,787.21
		6,643,391.65	6,643,391.65
		729,772.22	729,772.22
		14,235,682.59	14,235,682.59
11,106,388.25		18,333.56	11,124,721.81
12,585.69			12,585.69
418,800.00			418,800.00
27,890.18			27,890.18
99,881.93			99,881.93
76,515.06		2,058,914.33	2,135,429.39
26,376,880.84	—	\$30,808,903.40	\$257,185,784.24
64,493,606.85		\$ 7,698,079.59	\$ 72,191,686.44
87,671.09			87,671.09
		131,476.34	131,476.34
5,653.52			5,653.52
	\$1,111,131.46		1,111,131.46
4,464,907.84			4,464,907.84
4,898.44			4,898.44
651.48	888,164.46	218,267.81	1,107,083.75
		175,269.94	175,269.94
		179,259.14	179,259.14
64,481,421.47		4,810,071.86	69,291,493.33
1,720,453.22		1,072,747.90	2,793,201.12
61,474,436.07		44,167,615.76	105,642,051.83
29,643,180.86	(1,999,295.92)	(27,643,884.94)	—
26,376,880.84	\$ —	\$30,808,903.40	\$257,185,784.24

THE CANADIAN
STATEMENT OF ASSETS
COARSE GRAINS AND SEEDS
As at 31

ASSETS

Funds on deposit.....
Stocks of cash grain, etc:
 Oats stocks.....
 Oats sold but not delivered.....
 Barley stocks.....
 Barley sold but not delivered.....
 Flax stocks.....
Accounts receivable.....
Due from the Government of Canada — (Exhibit IX).....

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Board:
 Oats.....
 Barley.....
Amounts due to Producers:
 Balance outstanding on Coarse Grains equalization funds and adjustment payments — (Exhibit XIII).....
Provisions for final payment expenses — (Exhibit XIV).....
Drawback Account — balance of appropriations — (Exhibit XI).....
Refund Account — balance of appropriations — (Exhibit XII).....
Advances received on Agency flax stocks.....
Accrued expenses and accounts payable.....
Surpluses resulting from operations:
 1949 Crop Account — Oats — (Exhibit V)
 1949 Crop Account — Barley — (Exhibit VI).....
 1949 Crop Account — Flax — (Exhibit VII).....
Amounts due to other Board accounts.....

WHEAT BOARD AND LIABILITIES UNDY ACCOUNTS uly 1950

<u>Oats and Barley Division</u>	<u>Flax Division</u>	<u>Drawback and Refund Accounts</u>	<u>Total</u>
		\$355,724.38	\$ 355,724.38
6,707,297.46			6,707,297.46
59,787.21			59,787.21
6,643,391.65			6,643,391.65
729,772.22			729,772.22
	\$14,235,682.59		14,235,682.59
12,426.69	5,906.87		18,333.56
405,076.14)	2,463,990.47		2,058,914.33
<u>3,747,599.09</u>	<u>\$16,705,579.93</u>	<u>\$355,724.38</u>	<u>\$30,808,903.40</u>
3,949,678.34			\$ 3,949,678.34
3,748,401.25			3,748,401.25
127,648.30	\$ 3,828.04		131,476.34
214,922.88	3,344.93		218,267.81
		\$175,269.94	175,269.94
		179,259.14	179,259.14
	4,810,071.86		4,810,071.86
96,336.61	976,411.29		1,072,747.90
6,437,311.22			16,437,311.22
27,700,578.85			27,700,578.85
	29,725.69		29,725.69
8,527,278.36)	10,882,198.12	1,195.30	(27,643,884.94)
<u>3,747,599.09</u>	<u>\$16,705,579.93</u>	<u>\$355,724.38</u>	<u>\$30,808,903.40</u>

THE CANADIAN
1945-49 Pool Account
STATEMENT OF
For the period from 1

Wheat acquired:

Delivered or to be delivered by Agents on behalf of Producers at Board initial fixed prices basis
\$1.75 per bushel for One Northern in store Fort William/Port Arthur or Vancouver.....
Purchases of overages at terminal and country elevators, salvage wheat, and wheat produced
in non-designated areas, etc., at prevailing Board fixed prices.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:

Domestic.....
Export sales at Class II prices.....
Export sales under the terms of the International Wheat Agreement.....
United Kingdom Government Wheat Agreement — 1st August 1946 to 31st July 1950.....
Weight losses in transit and in drying and reconditioning.....

Add: Additional differential charges, storage and interest, etc., recovered.....

Net proceeds from sales.....

Stocks of wheat, valued on the basis of \$1.98 per bushel for One Northern in store Fort William/
Port Arthur or Vancouver:

On hand.....
In the custody of Agents.....

Surplus on cash wheat transactions.....

Deduct: Funds transferred to the 1944 Crop Account under authority of Order-in-Council P.C.
4869 of 26th November 1946, so that the provision of wheat for domestic purposes
shall be more equitably divided between the 1944 and 1945 Crop Accounts.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on wheat stored in country elevators.....
Storage on wheat stored in terminal elevators and mills.....
Interest and bank charges, etc.....
Net additional freight on wheat shipped to Fort William/Port Arthur from points
tributary to Vancouver.....
Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....
Drying, reconditioning charges, grade adjustments, etc.....
Administrative and general expenses to 31st July 1949.....

Add: Proportion of administrative and general expenses for the year ended
31st July 1950.....

Surplus on operations.....

Deduct: Additional costs re adjustment payments:

Commissions and exchange, etc., paid to banks, payors and Agents.....
Proportion of administrative and general expenses.....

Surplus on operations of the Board on 1945-49 Pool Account, Western Division, for the period from
1st August 1945 to 31st July 1950.....

HEAT BOARD
 Western Division
 OPERATIONS
 August 1945 to 31st July 1950

Bushels		Amount	
27,588,090-10		\$2,446,507,790.49	
8,282,693-18	<u>1,435,870,783-28</u>	<u>10,333,366.68</u>	\$2,456,841,157.17
51,530,897-38		\$ 407,956,713.33	
04,243,449-06		773,124,214.21	
55,681,902-50		106,213,821.05	
31,552,419-42		1,089,889,154.73	
853,500-30	1,343,862,169-46	—	2,377,183,903.32
		<u>43,011,615.46</u>	
		2,420,195,518.78	
00,057,342-41		116,921,857.55	
1,951,271-01	<u>92,008,613-42</u>	<u>61,665,701.04</u>	<u>178,587,558.59</u>
	<u>1,435,870,783-28</u>		<u>2,598,783,077.37</u>
			141,941,920.20
			<u>12,000,000.00</u>
			129,941,920.20
		43,144,177.13	
		<u>13,752,978.27</u>	
		56,897,155.40	
		3,322,458.71	
		(3,221.16)	
		303,901.78	
		1,197,011.11	
	3,847,809.07		
	<u>1,163,913.94</u>	<u>5,011,723.01</u>	<u>66,729,028.85</u>
			63,212,891.35
		618,864.75	
		<u>1,119,590.53</u>	<u>1,738,455.28</u>
			<u>\$ 61,474,436.07</u>

THE CANADIAN
1949 Crop Oats Account
STATEMENT OF
For the year ended

Oats acquired:

Purchased from Producers at Board fixed prices basis in store Fort William/Port Arthur.....
Purchases of overages, etc., at terminal and country elevators at Board fixed prices basis
in store Fort William/Port Arthur.....

Oats sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Uncompleted sales at contract prices.....

Futures contracts exchanged against cash oats sales:

Purchases.....
Sales.....
Deduct—open futures sales contracts as at 31st July 1950.....
Net proceeds from sales.....

Stocks of oats—valued on the basis of the Board's closing selling prices 31st July 1950
in store Fort William/Port Arthur.....

Surplus on cash oats transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on oats stored in country elevators.....
Storage on oats stored in terminal elevators.....

Interest and bank charges.....
Freight recovered on shipments of oats to Vancouver for export.....
Handling, stop-off and diversion charges.....
Drying, reconditioning charges, grade adjustments, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1950.....

Surplus on operations of the Board on 1949 Crop Oats Account, Western Division, for the
year ended 31st July 1950.....

HEAT BOARD
 — Western Division
 OPERATIONS
 st July 1950

Bushels		Amount	
80,197,777-31		\$48,782,446.53	
<u>4,444-05</u>	<u>80,202,222-02</u>	<u>2,645.36</u>	\$48,785,091.89
	72,983,795-18	\$61,383,896.05	
	<u>63,012-22</u>	<u>59,787.21</u>	
	73,046,808-06	61,443,683.26	
60,456,000-00		51,566,733.75	
85,000-00			
<u>29,000-00</u>	<u>60,456,000-00</u>	<u>50,337,476.25</u>	(1,229,257.50)
		60,214,425.76	
	7,155,413-30	6,707,297.46	
	<u>80,202,222-02</u>		66,921,723.22
			<u>18,136,631.33</u>
		1,263,709.37	
	<u>274,337.13</u>	1,538,046.50	
		(93,527.42)	
		(15,362.58)	
		8,266.75	
		(16,483.52)	
		18,557.82	
		<u>259,822.56</u>	<u>1,699,320.11</u>
			<u>\$16,437,311.22</u>

**THE CANADIAN
1949 Crop Barley Account
STATEMENT OF
For the year ended**

Barley acquired:

Purchased from Producers at Board fixed prices basis in store Fort William/Port Arthur.....
Purchases of overages, etc., at terminal and country elevators at Board fixed prices basis in store
Fort William/Port Arthur.....

Barley sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Uncompleted sales at contract prices.....
Weight losses in drying and reconditioning.....

Futures contracts exchanged against cash barley sales:

Purchases.....
Sales.....
Deduct—open futures sales contracts as at 31st July 1950.....
Net proceeds from sales.....

Stocks of barley—valued on the basis of the Board's closing selling prices 31st July 1950, in store
Fort William/Port Arthur.....

Surplus on cash barley transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:
Carrying charges on barley stored in country elevators.....
Storage on barley stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of barley to Vancouver for export.....
Handling, stop-off and diversion charges.....
Drying, reconditioning charges, grade adjustments, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1950.....

Surplus on operations of the Board on 1949 Crop Barley Account, Western Division, for the year
ended 31st July 1950.....

HEAT BOARD
— Western Division
PERATIONS
st July 1950

Bushels		Amount	
53,257,977-34		\$47,107,602.07	
989-42	53,258,967-28	709.45	\$47,108,311.52
	48,538,498-20	\$68,512,243.70	
	434,402-16	729,772.22	
	1,138-36	—	
	48,974,039-24	69,242,015.92	
34,253,000-00		47,010,158.75	
08,000-00			
55,000-00	34,253,000-00	46,840,071.25	(170,087.50)
			69,071,928.42
	4,284,928-04	6,643,391.65	
	53,258,967-28		75,715,320.07
			28,607,008.55
		1,065,560.00	
		260,446.26	1,326,006.26
			(280,853.78)
			(17,100.72)
			15,815.48
			(334,310.84)
			11,417.46
		185,455.84	906,429.70
			\$27,700,578.85

THE CANADIAN
1949 Crop Account
STATEMENT OF
For the year ended

Flax acquired:

Purchased from Producers at Board fixed prices basis in store Fort William/Port Arthur.....

Flax sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....

Surplus on cash flax transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on flax stored in country elevators.....

Storage on flax stored in terminal elevators.....

Interest and bank charges.....

Handling charges.....

Reconditioning charges, grade adjustments, etc.....

Administrative and general expenses.....

Surplus from the operations of the Board on 1949 Crop Account, Flax Division, for the year ended 31st July 1950.....

HEAT BOARD
 Tax Division—P.C. 3713
 OPERATIONS
 st July 1950

Bushels	Amount	
<u>24,219-38</u>		\$59,101.18
<u>24,219-38</u>		90,105.03
		<hr/>
		31,003.85
\$955.02		
<u>324.51</u>	\$1,279.53	
	(119.50)	
	8.14	
	(253.31)	
	363.30	1,278.16
	<hr/>	<hr/>
		<u>\$29,725.69</u>

THE CANADIAN
1948 Crop Account
STATEMENT OF
For the period from 1

Flax acquired:

Purchased at Board support prices basis in store Fort William/Port Arthur or Montreal.....
Purchased from 1947 Crop Account basis \$3.80 per bushel for No. 1 Canada Western
Flaxseed in store Fort William/Port Arthur.....

Flax sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Montreal.....
Weight losses in transit and in drying and reconditioning.....

Futures contracts exchanged against cash flax sales:

Purchases.....
Sales.....

Stocks of flax—valued on the basis of closing market prices 31st July 1950 in store
Fort William/Port Arthur:

On hand.....
In the custody of Agents.....

Deficit on cash flax transactions.....

Add: Carrying costs, interest, administrative and general expenses, etc:

Storage on flax stored in terminal elevators.....
Interest and bank charges.....
Handling and stop-off charges.....
Drying, reconditioning charges, etc.....
Brokerage and Clearing House charges.....
Administrative and general expenses to 31st July 1949.....

Add: Proportion of administrative and general expenses for the year ended 31st July 1950.....

Deficit from the operations of the Board on 1948 Crop Account, Flax Division, for the period
1st August 1948 to 31st July 1950.....

Note: In respect of the deficit shown above, The Canadian Wheat Board received \$3,881,963.67
from the Government of Canada on 27th March 1950.

HEAT BOARD
 Tax Division—P.C. 3376
 OPERATIONS
 August 1948 to 31st July 1950

Bushels		Amount	
09,235-07		\$52,811,673.89	
98,768-36	<u>13,308,003-43</u>	<u>359,331.05</u>	\$53,171,004.94
85,482-05		35,895,340.87	
96-35	9,385,578-40	—	
27,000-00		\$ 482,333.75	
<u>27,000-00</u>		<u>482,600.00</u>	266.25
		35,895,607.12	
73,619-55		9,702,520.18	
48,805-04	<u>3,922,425-03</u>	<u>4,533,162.41</u>	14,235,682.59
	<u>13,308,003-43</u>		<u>50,131,289.71</u>
			3,039,715.23
		1,784,759.35	
		1,440,950.90	
		36,212.17	
		(803.13)	
		67.08	
	27,947.61		
	<u>17,104.93</u>	<u>45,052.54</u>	<u>3,306,238.91</u>
			<u>\$ 6,345,954.14</u>

Exhibit IX

THE CANADIAN WHEAT BOARD STATEMENT OF AMOUNTS DUE FROM AND DUE TO THE GOVERNMENT OF CANADA

As at 31st July 1950

TOGETHER WITH FUNDS RECEIVED DURING THE YEAR ENDED AS AT THAT DATE

Due from the Government of Canada:

1948 Crop Account, Flax Division:

Deficit resulting from operations for the period 1st August

1948 to 31st July 1950 — (Exhibit VIII)..... \$6,345,954.14

Less: Payment on account, 27th March 1950. 3,881,963.67

\$2,463,990.47

Delivery Quotas and Permit Regulations:

Administrative and general expenses for the year ended

31st July 1950.....

76,515.06

\$2,540,505.53

Due to the Government of Canada:

Oats and Barley Account — P.C.1292:

Balance of surplus resulting from operations for the period

18th March 1947 to 31st July 1950 — (Exhibit X).....

\$ 405,076.14

Funds received from the Government of Canada:

1947 Crop Account, Flax Division:

Balance of deficit resulting from operations for the period

1st August 1947 to 31st July 1949..... \$ 185,917.01

Add: Interest thereon to 27th March 1950..... 3,668.08

\$ 189,585.09

1948 Crop Account, Flax Division:

Deficit resulting from operations for the year ended 31st July 1949.. 3,806,855.19

Add: Interest thereon to 27th March 1950..... 75,108.48

3,881,963.67

1948 Crop Rapeseed Account:

Deficit resulting from operations for the year ended 31st July 1949.. 391,262.77

Add: Interest thereon to 27th March 1950..... 7,719.53

398,982.30

Delivery Quotas and Permit Regulations:

Administrative and general expenses for the year ended

31st July 1949..... 94,448.93

Add: Interest thereon to 27th March 1950..... 1,863.45

96,312.38

\$4,566,843.44

THE CANADIAN WHEAT BOARD
1946 Oats and Barley Account - P.C. 1292
STATEMENT OF OPERATIONS
For the year ended 31st July 1950

Surplus on 1946 Oats and Barley Account to 31st July 1949.....	\$6,727,573.71
Add: Interest earned during the year on balance of surplus funds.....	11,222.71
	<hr/> 6,738,796.42
Deduct: Administrative and general expenses for the year ended 31st July 1950.....	8,930.29
	<hr/>
Surplus from the operations of the Board on Oats and Barley Account — P.C. 1292, for the period from inception (18th March 1947) to 31st July 1950	<u><u>\$6,729,866.13</u></u>

Note: In respect of the surplus shown above, The Canadian
Wheat Board paid \$6,324,789.99 to the Government
of Canada on 31st March 1948.

Exhibit XI

THE CANADIAN WHEAT BOARD
STATEMENT OF DRAWBACK ACCOUNT
For the year ended 31st July 1950

Balance of appropriations and net interest earned as at 31st July 1949.....		\$ 45,393.84
Add: Refund of excess profits received from the Commodity Prices Stabilization Corporation Limited.....	\$77,923.67	
Interest earned on funds on hand, less interest expense.....	2,079.03	80,002.70
		<u>125,396.54</u>
Deduct: Proportion of administrative and general expenses for the year ended 31st July 1950.....		126.60
		<u>125,269.94</u>
Add: Appropriation received from the Government of Canada on 14th April 1950.....		50,000.00
		<u>50,000.00</u>
Balance of appropriations and net interest earned, as at 31st July 1950.....		<u><u>\$175,269.94</u></u>

THE CANADIAN WHEAT BOARD
STATEMENT OF REFUND ACCOUNT - P.C. 3376 and 4287
For the year ended 31st July 1950

Due from the Government of Canada as at 31st July 1949.....		\$120,114.07
Appropriation received from the Receiver General on 11th August 1949.....		350,000.00
		<hr/>
		229,885.93
Add: Refund payments recovered from purchasers other than processors.....	\$ 2,047.24	
Interest earned on funds on hand, less interest expense.....	4,770.55	6,817.79
	<hr/>	<hr/>
		236,703.72
Deduct: Refund paid to millers and processors of wheat products.....	56,394.74	
Proportion of administrative and general expenses for the year ended 31st July 1950.....	1,049.84	57,444.58
	<hr/>	<hr/>
Balance of appropriations and net interest earned, as at 31st July 1950.....		<u>\$179,259.14</u>

THE CANADIAN
STATEMENT OF FINANCE
To 3

1940 Wheat Crop Account.....	
1941 Wheat Crop Account.....	
1942 Wheat Crop Account.....	
1943 Wheat Crop Account.....	
1944 Wheat Crop Account.....	
Total Wheat — Western Division.....	
1944 Ontario Wheat Equalization Fund — P.C. 1638.....	
1945 Ontario Wheat Equalization Fund — P.C. 4646.....	
Total Wheat — Eastern Division.....	
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	
1944 Crop Barley Equalization Fund — P.C. 5998.....	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	
1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	
1946 Crop Barley Adjustment Payment — P.C. 1292.....	
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	
Total — Coarse Grains.....	
Total — all Accounts.....	

HEAT BOARD
 PAYMENTS TO PRODUCERS
 y 1950

<u>Total Amounts Payable to Producers</u>	<u>Cheques Cashd by Producers to 31st July 1950</u>	<u>Balances Payable to Producers as at 31st July 1950</u>
26,081,800.16	\$ 25,953,168.20	\$ 128,631.96
15,305,476.69	15,238,471.51	67,005.18
19,692,770.12	19,616,963.66	75,806.46
36,725,167.12	36,408,999.48	316,167.64
66,019,001.69	65,495,481.47	523,520.22
<u>163,824,215.78</u>	<u>162,713,084.32</u>	<u>1,111,131.46</u>
188,226.09	185,431.29	2,794.80
262,114.91	259,256.19	2,858.72
<u>450,341.00</u>	<u>444,687.48</u>	<u>5,653.52</u>
1,570,750.97	1,566,196.23	4,554.74
8,867,004.74	8,851,807.38	15,197.36
6,106,932.94	6,093,242.49	13,690.45
3,762,008.54	3,748,155.93	13,852.61
8,672,234.59	8,598,269.15	73,965.44
5,305,206.90	5,298,819.20	6,387.70
4,687,839.30	4,684,011.26	3,828.04
<u>38,971,977.98</u>	<u>38,840,501.64</u>	<u>131,476.34</u>
<u><u>203,246,534.76</u></u>	<u><u>\$201,998,273.44</u></u>	<u><u>\$1,248,261.32</u></u>

THE CANADIAN STATEMENT OF PROVISIONS To 31

	Original Provisions	Payment On and Other Adjustments 31st July 1950
1940 Wheat Crop Account.....	\$ 320,850.00	\$ 424,450.00
1941 Wheat Crop Account.....	178,250.00	243,330.00
1942 Wheat Crop Account.....	213,900.00	279,330.00
1943 Wheat Crop Account.....	495,000.00	283,450.00
1944 Wheat Crop Account.....	552,500.00	277,140.00
Total Wheat — Western Division	<u>1,760,500.00</u>	<u>1,507,710.00</u>
1944 Ontario Wheat Equalization Fund — P.C. 1638.....	13,751.58	13,370.00
1945 Ontario Wheat Equalization Fund — P.C. 4646.....	13,684.48	16,590.00
Total Wheat — Eastern Division	<u>27,436.06</u>	<u>29,960.00</u>
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	73,866.70	59,140.00
Prairie Farm Assistance Act levy cancelled.....	—	—
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	100,798.49	94,600.00
1944 Crop Barley Equalization Fund — P.C. 5998.....	75,738.31	70,000.00
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	55,095.30	58,200.00
1947 Crop Oats and Barley Equalization Funds—P.C. 1891 and 5207	71,757.74	57,500.00
1946 Crop Barley Adjustment Payment — P.C. 1292.....	37,057.21	35,100.00
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	24,496.02	21,000.00
Total — Coarse Grains	<u>438,809.77</u>	<u>395,740.00</u>
Total — all Accounts	<u>\$2,226,745.83</u>	<u>\$1,933,440.00</u>

Note: As directed by the Government of Canada interest credits on surplus funds, 1940 to 1944 Wheat Accounts inclusive, amounting to \$720,590.96, were transferred to the 1945-49 Pool Account on December 1950, and are included in the surplus available for distribution to Producers at that date.

HEAT BOARD

R FINAL PAYMENT EXPENSES

y 1950

ment Costs ar Ended July 1950	Exchange, Commissions and Other Adjustments 1949-50 Year	Balance of Original Provisions	Interest Credits on Surplus Funds to 31st July 1950	Balance as at 31st July 1950
6,772.17	(\$ 751.25)	(\$109,624.19)	\$200,089.04	\$ 90,464.85
3,418.90	(522.38)	(67,981.04)	143,934.23	75,953.19
3,636.13	2,563.33	(71,630.88)	182,040.38	110,409.50
5,171.26	1,342.32	175,032.09	196,296.99	371,329.08
0,792.52	2,785.29	241,777.52	(1,769.68)	240,007.84
9,790.98	5,417.31	167,573.50	720,590.96	888,164.46
6.35	.15	370.65	1,872.72	2,243.37
354.57	.88	(3,261.73)	1,669.84	(1,591.89)
360.92	1.03	(2,891.08)	3,542.56	651.48
237.03	1.19	14,484.34	24,478.77	54,670.63
—	—	—	15,707.52	89,099.86
807.27	15.78	5,370.95	83,728.91	44,539.39
1,339.55	15.86	4,332.63	9,318.39	20,438.32
1,976.53	53.60	(5,173.26)	871.53	3,344.93
6,862.19	489.61	6,865.65	372.35	188,256.90
688.26	32.06	1,158.02	2,972.58	218,267.81
499.36	7.47	2,972.58	372.35	218,267.81
2,410.19	615.57	30,010.91	188,256.90	218,267.81
2,562.09	\$6,033.91	\$194,693.33	\$912,390.42	\$1,107,083.75

THE CANADIAN
SCHEDULE OF ADMINISTRATION
AND ALLOCATION
For the year ended

Administrative and general expenses:

Salaries — Board members, officers and staff.....	\$1,357,364.68
Unemployment insurance.....	9,893.04
Advisory Committee — travelling expenses and per diem allowance.....	4,749.65
Rental and lighting of offices, including maintenance of The Canadian Wheat Board Building, Winnipeg.....	151,318.31
Telephone — exchange service and long distance calls.....	22,662.90
Telegrams and cables.....	17,884.23
Postage.....	21,059.75
Printing and stationery.....	88,581.78
Office supplies and expenses.....	20,395.77
Travelling expenses.....	21,715.14
Travelling expenses — Inspectors.....	33,090.97
Legal fees and court costs.....	4,202.40
Audit fees.....	62,500.00
Tabulating equipment — rental and sundries.....	84,375.56
Repairs and upkeep of office machinery and equipment.....	3,407.24
Grain market publications and services.....	6,014.85
Bonds and insurance.....	2,526.53
Grain Exchange dues.....	2,350.00
Express, freight and cartage on stationery, etc.....	12,447.04
Depreciation on furniture, equipment and automobiles.....	28,012.16
Contribution to Pension Fund and actuarial expenses.....	70,890.66
 Total administrative and general expenses for the year ended 31st July 1950.....	 <u>\$2,025,442.66</u>

HEAT BOARD

ND GENERAL EXPENSES

O OPERATIONS

st July 1950

Allocations to operations:

1. Marketing Producers' grain:

1945-49 Pool Account — Wheat — including cost of distributing adjustment payments.....	\$1,381,396.62	
1949 Crop Account — Oats.....	259,822.56	
1949 Crop Account — Barley.....	185,455.84	
1949 Crop Account — Flaxseed.....	363.30	\$1,827,038.32

2. Distributing final payments to Producers:

(a) Western Division — Wheat:

1944 Crop Account.....	30,792.52	
1943 Crop Account.....	35,171.26	
1942 Crop Account.....	3,636.13	
1941 Crop Account.....	3,418.90	
1940 Crop Account.....	6,772.17	79,790.98

(b) Eastern Division — Wheat Equalization Funds:

1945 Ontario Wheat — P.C. 4646.....	354.57	
1944 Ontario Wheat — P.C. 1638.....	6.35	360.92

(c) Western Division — Oats and Barley:

1947 Oats and Barley Equalization Funds— P.C. 1891 and 5207.....	6,862.19	
1946 Oats Equalization Fund — P.C. 3222 and 1292.....	1,976.53	
1944 Barley Equalization Fund — P.C. 5998.....	1,339.55	
1943 Oats Equalization Fund — P.C. 4450 and 8898.....	807.27	
1942 Oats and Barley Equalization Fund — P.C. 4450.....	237.03	11,222.57

3. Special operations on behalf of the Government of Canada:

1948 Crop Account, Flax Division — P.C. 3376.....	17,104.93	
1947 Crop Account, Flax Division — P.C. 3038 and 829.....	499.36	
1947 Oats and Barley Adjustment Payment — P.C. 3375.....	2,115.53	
1946 Barley Equalization Fund — P.C. 3222 and 1292.....	688.26	
Oats and Barley Account — P.C. 1292.....	8,930.29	
Drawback Account — P.C. 1736 and 4145.....	126.60	
Refund Account — P.C. 3376 and 4287.....	1,049.84	
Delivery Quotas and Permit Regulations.....	76,515.06	107,029.87

\$2,025,442.66

PART III
AUDITORS' REPORT

MILLAR, MACDONALD & Co.

CHARTERED ACCOUNTANTS

To The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board for the fiscal year ended 31st July 1950, and have examined the Consolidated Balance Sheet and related statements of operations and schedules, all as enumerated in the Index appearing in Part II of the Report of the Board.

The transactions for the year have been verified in such detail and to such extent as we have considered necessary in view of the system of internal accounting control maintained by the Board. In this connection we have examined vouchers and other documentary evidence in support of grain and financial transactions and have received all the information and explanations which we have required from members, officers and employees of the Board.

Funds on deposit amounting to \$36,402,985.52 have been confirmed by direct correspondence with the depositories. In verification of stocks of grain in store terminal elevators and mills, we have examined grain documents on hand and have received a certificate from the Lake Shippers' Clearance Association covering grain documents held by them for account of the Board. Stocks of grain in the custody of Agents and in country elevators have been verified by reference to grain records maintained by the Board in which reports submitted by Agents are regularly recorded. In our opinion the asset "Stocks of cash grain, etc." in the amount of \$206,963,489.72 is stated correctly in terms of the valuation bases indicated on the Consolidated Balance Sheet. Satisfactory evidence has been produced for our inspection in support of accounts receivable and all other assets.

We have checked the computation of the liability to Agents of \$72,191,686.44 for grain

purchased from Producers but not yet delivered to the Board, and have verified the amounts due to Producers on miscellaneous accounts and on outstanding Producers' certificates. The liability for advances received on stocks in the custody of Agents in the amount of \$69,291,493.33, and all other liabilities, have been verified by reference to grain records, creditors' statements and other data, and are correctly stated to the best of our information and belief.

The action which was commenced by the Board to recover certain barley which had been vested in the Board for the Crown by Order-in-Council P.C. 1292 was dismissed by the Supreme Court of Canada on 20th November 1950. The surplus from the operations of the Board on Oats and Barley Account — P.C. 1292 — should be viewed as being subject to any further action which may be taken in light of this decision.

We have reviewed Part II of the Annual Report of the Board which sets forth explanatory comments relative to the financial statements for the year under review. In our opinion the information presented therein is accurately recorded and is in agreement with our findings in the course of audit.

We report that in our opinion the Consolidated Balance Sheet and related statements of operations and schedules as enumerated in the Index appearing in Part II of the Report of the Board, are properly drawn up so as to exhibit respectively a true and correct view of the financial position of The Canadian Wheat Board as at 31st July 1950, and of the results of its operations for the periods ended on that date, according to the best of our information, the explanations given to us, and as shown by the books of the Board.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

Winnipeg, Manitoba
15th January 1951

PART IV

THE RIGHT HONOURABLE C. D. HOWE,
Minister of Trade and Commerce,
OTTAWA, Canada.

Sir:

We beg to submit herewith operating statements and reports pertaining to operations of the Board which were in process as at July 31st, 1950, and were completed subsequent to that date, but prior to the date of this Report. The operating statements submitted herewith consist of the following:

- Exhibit I Statement of Operations 1945-49 Pool Account—Western Division for the period from August 1st, 1945 to December 31st, 1950.
- Exhibit II Statement of Operations 1949 Crop Oats Account—Western Division for the period from August 1st, 1949 to September 30th, 1950.
- Exhibit III Statement of Operations 1949 Crop Barley Account—Western Division for the period from August 1st, 1949 to September 30th, 1950.
- Exhibit IV Statement of Operations 1948 Crop Account Flax Division for the period from August 1st, 1948 to November 30th, 1950.

1. 1945-49 Pool Account—Western Division

Marketing operations under the 1945-49 Pool Account were completed as at December 31st, 1950 and resulted in a surplus of \$55,605,794.98 for the period from August 1st, 1945 to December 31st, 1950. The details of these operations are set forth in Exhibit I.

Deliveries to the Board on the 1945-49 Pool Account totalled 1,435,955,510-08 bushels, of which 1,427,587,096-10 bushels were purchased from producers and 8,368,413-58 bushels were purchased from other than producers. The latter purchases represented principally country and terminal elevator overages purchased from Agents of the Board and for which no producers' certificates were issued by the Board.

The surplus in the 1945-49 Pool as at December 31st, 1950 includes interest earnings of \$720,590.96 arising from undistributed funds in the 1940, 1941, 1942, 1943 and 1944 Crop Accounts. These interest earnings were transferred to the 1945-49 Pool Account on the authority of the Government of Canada.

The reduction in the surplus in the 1945-49 Pool as between July 31st, 1950 and December 31st, 1950 is due mainly to the lower selling prices resulting from the freeing of the Canadian dollar as announced on October 2nd, 1950. The appreciation of the Canadian dollar in terms of the U.S. dollar had the effect of lowering the maximum prices under the International Wheat Agreement in terms of Canadian dollars, which in turn was reflected in the Board's selling prices for wheat sold under the International Wheat Agreement and wheat sold in the domestic market. In addition to the price factor, additional costs amounting to \$2,276,123.08 were incurred in connection with the 1945-49 Pool Account between August 1st, 1950 and December 31st, 1950. These costs consisted mainly of terminal storage charges and country elevator carrying charges.

At the commencement of the 1945-49 Pool period on August 1st, 1945 the initial price paid to producers was \$1.25 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. Effective August 1st, 1946 the initial price paid to producers was increased by 10 cents

per bushel and subsequently two other increases each of 20 cents per bushel became effective on April 1st, 1948 and April 1st, 1949, thus equalizing the initial price paid to producers on the 1945-49 Pool Account at \$1.75 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver.

As a result of these increases in the initial price paid to producers the Board was directed to make three adjustment payments in respect to producers' deliveries on the 1945-49 Pool Account as follows:

1. An adjustment payment of 10 cents per bushel applicable to deliveries by producers for the period from August 1st, 1945 to July 31st, 1946 as authorized by Order-in-Council P.C. 3222 of July 30th, 1946.
2. An adjustment payment of 20 cents per bushel applicable to deliveries by producers for the period from August 1st, 1945 to March 31st, 1948 as authorized by Order-in-Council P.C. 1289 of March 25th, 1948.
3. An adjustment payment of 20 cents per bushel applicable to deliveries by producers for the period from August 1st, 1945 to March 31st, 1949 as authorized by Order-in-Council P.C. 919 of February 24th, 1949.

The total amount of these adjustment payments and the expenses incident to the distribution which had been incurred to December 31st, 1950 have been included in the determination of the surplus on the 1945-49 Pool Account as at December 31st, 1950.

2. Board Operating Costs 1945-49 Pool Accounts to December 31st, 1950

Board operating costs are shown in Exhibit I. From August 1st, 1945 to December 31st, 1950, the Board's operating costs applicable to the 1945-49 Pool Account (including cost of adjustment payments) amounted to \$70,743,607.21. Of these operating costs, the Board recovered

\$43,005,102.32, mainly in carrying charges on domestic wheat and wheat for the United Kingdom under the Canada-United Kingdom Wheat Agreement.

The Board's operating costs applicable to the 1945-49 Pool to December 31st, 1950 are summarized as follows:

1. **CARRYING CHARGES:** On 1,435,955,510-08 bushels of wheat acquired by the Board during the five-year pool period, carrying charges to December 31st, 1950, including terminal storage, amounted to \$58,981,702.99.
2. **ADMINISTRATIVE AND GENERAL EXPENSES:** From August 1st, 1945 to December 31st, 1950 administrative and general expenses amounted to \$5,474,745.11. These costs amounted to .3812 cent per bushel on total wheat acquired.
3. **INTEREST AND BANK CHARGES:** Interest paid and bank charges, etc., less interest earned from August 1st, 1945 to December 31st, 1950 amounted to \$3,649,105.83 or to \$2,928,514.87 after the transfer of interest earnings of \$720,590.96 from the 1940, 1941, 1942, 1943 and 1944 Crop Accounts.
4. **DRYING, RECONDITIONING, GRADE ADJUSTMENTS, ETC.:** From August 1st, 1945 to December 31st, 1950, costs of drying and reconditioning wheat, including grade adjustments, amounted to \$1,171,999.11. These costs consisted mainly of the drying of export wheat at the Pacific Coast.
5. **COSTS OF ADJUSTMENT PAYMENTS:** The costs of issuing the three adjustment payments to producers under the 1945-49 Pool Account amounted to \$1,770,227.36 to December 31st, 1950.
6. **OTHER COSTS:** All other operating costs amounted to \$416,417.77. These costs consisted of handling, stop-off and diversion charges and additional freight.

3. Distribution of Sales, 1945-49 Pool to December 31st, 1950

	Quantity (bushels)	Sales Basis ¹ (Basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver)
To United Kingdom and Other Countries prior to the Can- ada-United Kingdom Agree- ment.....	208,013,770-19	@ \$1.55 per bushel ²
To United Kingdom for the Canada-United Kingdom Agreement.....	631,552,419-42	{ 339,573,484-44 bus. @ \$1.55 per bus. ³ 291,978,934-58 bus. @ \$2.00 per bus. ³
To Other Countries subsequent to the Canada-United King- dom Agreement.....	209,536,430-57	Average of \$2.33 per bus.
To Countries within the terms of the International Wheat Agreement other than to the United Kingdom under the Canada-United Kingdom Agreement.....	112,339,351-15	{ 15,138,785-10 bus. @ \$1.80 per bus. 72,547,663-09 bus. @ \$1.98 per bus. 24,652,902-56 bus. @ Average \$1.89 per bus.
To the Domestic Market ⁴	273,659,678-55	{ 38,470,997-00 bus. @ \$1.25 per bus. ⁵ 113,213,468-37 bus. @ \$1.55 per bus. ⁶ 99,760,502-52 bus. @ \$2.00 per bus. ⁷ 12,087,246-17 bus. @ \$1.98 per bus. ⁸ 10,127,464-09 bus. @ Average \$1.88 per bus. ⁹
Weight losses in transit and in drying and re-conditioning wheat.....	853,859-00	
Total Sales August 1st, 1945 to December 31st, 1950.....	1,435,955,510-08	

¹ Exclusive of any carrying charges;

² Board's Class II price and Order-in-Council P.C. 6122, September 19th, 1945;

³ As provided for during the period August 1st, 1946 to July 31st, 1950 in the Canada-United Kingdom Agreement;

⁴ Since wheat for domestic use in 1945-46 was supplied from the 1944 Crop Account, a transfer of \$12,000,000.00 from the 1945 Crop Account to the 1944 Crop Account was authorized by Order-in-Council P.C. 4869 of November 26th, 1946, so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts;

⁵ \$1.25 per bushel from August 1st, 1945 to February 17th, 1947;

⁶ \$1.55 per bushel from February 18th, 1947 to July 31st, 1948;

⁷ \$2.00 per bushel from August 1st, 1948 to July 31st, 1950;

⁸ \$1.98 per bushel from August 1st, 1950 to September 30th, 1950;

⁹ \$1.88 average per bushel from October 1st, 1950 to December 31st, 1950.

4. 1949 Crop Oats and Barley Accounts—Western Division

Marketing operations on the 1949 Crop Oats and Barley Accounts which were commenced on August 1st, 1949 were completed as at September 30th, 1950 and resulted in a surplus on the 1949 Crop Oats Account of \$15,776,349.83 and a surplus on the 1949 Crop Barley Account of \$26,991,696.47 as set forth in Exhibits II and III respectively. The amounts available for final payment to producers on the 1949 Crop Oats and Barley Accounts were \$15,546,322.39 and \$26,643,973.33 for oats and barley respectively and were computed as follows:

	Oats	Barley
Surplus on operations for the period from August 1st, 1949 to September 30th, 1950.....	\$15,776,349.83	\$26,991,696.47
Add: Interest on the surplus for the period from—		
October 1st to October 30th, 1950.....		10,121.88
October 1st to November 15th, 1950.....	8,873.78	
	15,785,223.61	27,001,818.35
Deduct: Estimated costs of issuing final payment to producers.....	81,867.67	88,713.98
Prairie Farm Assistance Act levy	157,033.55	269,131.04
Amount payable to producers as at September 30th, 1950.....	<u>\$15,546,322.39</u>	<u>\$26,643,973.33</u>

Deliveries to the Board on the 1949 Crop Oats and Barley Accounts were 80,202,222-02 bushels and 53,258,967-28 bushels respectively and consisted of the following:

	Bushels	
	Oats	Barley
Purchases from producers.....	80,197,777-31	53,257,977-34
Purchases from other than producers.....	4,444-05	989-42
	<u>80,202,222-02</u>	<u>53,258,967-28</u>

During the period of marketing operations the average price realized on the sale of oats for No. 2 Canada Western Oats in store Fort William/Port Arthur was 86.34933 cents per bushel and the average price realized on the sale of barley for No. 3 Canada Western 6 Row Barley in store Fort William/Port Arthur was \$1.5250301 per bushel. The final payment prices in respect to the foregoing grades of oats and barley were computed as follows:

	No. 2 Canada Western Oats	No. 3 Canada Western 6 Row Barley
Average realized selling price per bushel.....	\$.8634933	\$ 1.5250301
Less: Initial payment to producers.....	.65	.93
	.2134933	.5950301
Less: Cost per bushel for carrying charges, interest, administrative expenses, Prairie Farm As- sistance Act levy, etc. ....	.0241254	.0204098
Final payment to producers.....	<u>.1893679</u>	<u>.5746203</u>
	<u>18.937 cents</u>	<u>57.462 cents</u>

Payments on grades other than No. 2 Canada Western Oats and No. 3 Canada Western 6 Row Barley varied according to the fixed initial discounts under No. 2 Canada Western Oats and No. 3 Canada Western 6 Row Barley at which each grade of oats and barley was purchased from producers and the average of the actual premiums or discounts in relation to No. 2 Canada Western Oats and No. 3 Canada Western 6 Row Barley at which each grade of oats and barley was sold.

The Board mailed the first cheques to producers in respect to the barley payment on October 16th, 1950 and in respect to the oats payment on October 24th, 1950. The cheque issuance for both the oats and barley payments was completed by the Board on November 3rd, 1950.

5. 1948 Crop Account Flax Division

Under authority of Order-in-Council P.C. 3376 of July 28th, 1948 the Board was empowered to purchase Western flaxseed futures or cash flaxseed

for the purpose of assuring to producers of this grain a minimum price of \$4.00 per bushel for No. 1 Canada Western Flaxseed basis in store Fort William/Port Arthur and for No. 1 Canada Eastern Flaxseed basis in store Montreal. Marketing operations in respect to flaxseed acquired in terms of this Order commenced on August 1st, 1948, were completed as at November 30th, 1950, and resulted in a deficit of \$6,406,198.99 as set forth in Exhibit IV. This deficit is payable to the Board by the Government of Canada and in respect thereto an amount of \$3,881,963.67 was received on March 27th, 1950. It is anticipated that the balance of the deficit amounting to \$2,524,235.32, together with interest to the date of payment, will be paid to the Board by the Government of Canada during 1951.

6. Auditors' Report

The Report of the Board's Auditors covering the statements of operations which are submitted in this section of the Report is contained in Part V of this Report.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

Winnipeg, Manitoba
February 28th, 1951.

THE CANADIAN
1945-49 Pool Account
STATEMENT
For the period from 1st August

Wheat acquired:

Purchased from Producers at Board fixed prices basis in store Fort William/Port Arthur or Vancouver.....
Purchases of overages at terminal and country elevators, salvage wheat, and wheat produced in non-designated areas, etc., at prevailing Board fixed prices.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:

Domestic.....
Export sales at Class II prices.....
Export sales under the terms of the International Wheat Agreement.....
United Kingdom Government Wheat Agreement—1st August 1946 to 31st July 1950.....
Weight losses in transit and in drying and reconditioning.....

Add: Additional differential charges, storage and interest, etc., recovered.....

Net proceeds from sales.....

Surplus on cash wheat transactions.....

Deduct: Funds transferred to the 1944 Crop Account under authority of Order-in-Council P.C. 4869 of 26th November 1946, so that the provision of wheat for domestic purposes shall be more equitably divided between the 1944 and 1945 Crop Accounts.....

Deduct: Carrying costs, interest, administrative and general expenses, etc.:

Carrying charges:

Carrying charges on wheat stored in country elevators.....
Storage on wheat stored in terminal elevators and mills.....

Interest and bank charges, etc.....

Net additional freight on wheat shipped to Fort William/Port Arthur from points tributary to Vancouver.....

Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....

Drying and reconditioning charges, grade adjustments, etc.....

Administrative and general expenses to 31st July 1950.....

Add: Proportion of administrative and general expenses for the period 1st August 1950 to 31st December 1950.....

Surplus on operations.....

Deduct: Additional costs re adjustment payments:

Commissions and exchange, etc., paid to banks, payors and Agents.....
Proportion of administrative and general expenses.....

Surplus on operations of the Board on 1945-49 Pool Account, Western Division, for the period from 1st August 1945 to 31st December 1950.....

HEAT BOARD
Western Division
PERATIONS
45 to 31st December 1950

Bushels		Amount	
27,587,096-10		\$2,446,505,912.50	
<u>8,368,413-58</u>	<u><u>1,435,955,510-08</u></u>	<u>10,482,834.81</u>	\$2,456,988,747.31
73,659,678-55	\$ 448,633,184.17		
17,550,201-16	799,924,172.40		
12,339,351-15	213,886,677.36		
31,552,419-42	1,089,889,013.25		
<u>853,859-00</u>	<u><u>1,435,955,510-08</u></u>	2,552,333,047.18	
		<u>43,005,102.32</u>	
			2,595,338.149.50
			<u>138,349,402.19</u>
			12,000,000.00
			<u>126,349,402.19</u>
	43,782,922.38		
	<u>15,198,780.61</u>	58,981,702.99	
		2,928,514.87	
		61,754.52	
		354,663.25	
		1,171,999.11	
	5,011,723.01		
	<u>463,022.10</u>	<u>5,474,745.11</u>	68,973,379.85
			<u>57,376,022.34</u>
		619,681.54	
		<u>1,150,545.82</u>	<u>1,770,227.36</u>
			<u>\$ 55,605,794.98</u>

THE CANADIAN
1949 Crop Oats Account
STATEMENT
For the period from 1st August

Oats acquired:

Purchased from Producers at Board fixed prices basis in store Fort William/Port Arthur.....
Purchases of overages, etc., at terminal and country elevators at Board fixed prices basis in store
Fort William/Port Arthur.....

Oats sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Futures contracts exchanged against cash oats sales:
Purchases.....
Sales.....

Net proceeds from sales.....

Surplus on cash oats transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on oats stored in country elevators.....
Storage on oats stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of oats to Vancouver for export.....
Handling, stop-off and diversion charges.....
Drying, reconditioning charges, grade adjustments, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1950.....

Add: Proportion of administrative and general expenses for the period 1st August
1950 to 30th September 1950.....

Surplus on operations of the Board on 1949 Crop Oats Account, Western Division, for the period
from 1st August 1949 to 30th September 1950.....

HEAT BOARD
 - Western Division
 OPERATIONS
 49 to 30th September 1950

Bushels		Amount	
197,777-31		\$48,782,446.53	
<u>4,444-05</u>	<u>80,202,222-02</u>	<u>2,645.36</u>	\$48,785,091.89
	<u>80,202,222-02</u>	67,661,345.02	
880,000-00	\$57,166,453.75		
<u>880,000-00</u>	<u>55,854,347.50</u>	(<u>1,312,106.25</u>)	
			<u>66,349,238.77</u>
			17,564,146.88
	1,309,925.82		
	<u>302,238.69</u>	1,612,164.51	
		(104,197.99)	
		(15,174.00)	
		8,266.75	
		(17,685.07)	
		18,903.27	
	259,822.56		
	<u>25,697.02</u>	<u>285,519.58</u>	<u>1,787,797.05</u>
			<u>\$15,776,349.83</u>

**THE CANADIAN
1949 Crop Barley Account
STATEMENT
For the period from 1st August 1949 to 30th September 1950**

Barley acquired:

Purchased from Producers at Board fixed prices basis in store Fort William/Port Arthur.....
Purchases of overages, etc., at terminal and country elevators at Board fixed prices basis in store
Fort William/Port Arthur.....

Barley sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying and reconditioning.....
Futures contracts exchanged against cash barley sales:
Purchases.....
Sales.....

Net proceeds from sales.....

Surplus on cash barley transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on barley stored in country elevators.....
Storage on barley stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of barley to Vancouver for export.....
Handling, stop-off and diversion charges.....
Drying, reconditioning charges, grade adjustments, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1950.....

Add: Proportion of administrative and general expenses for the period 1st August 1950 to
30th September 1950.....

Surplus on operations of the Board on 1949 Crop Barley Account, Western Division, for the period
from 1st August 1949 to 30th September 1950.....

HEAT BOARD
 — Western Division
 OPERATIONS
 1949 to 30th September 1950

Bushels		Amount	
257,977-34		\$47,107,602.07	
989-42	53,258,967-28	709.45	\$47,108,311.52
257,828-40			
1,138-36	53,258,967-28	75,201,431.30	
919,000-00	\$51,627,777.50		
919,000-00	51,479,047.50	(148,730.00)	
			75,052,701.30
			27,944,389.78
	1,109,303.02		
	262,573.61	1,371,876.63	
		(300,316.54)	
		(17,100.72)	
		15,815.48	
		(332,550.96)	
		11,481.96	
	185,455.84		
	18,031.62	203,487.46	952,693.31
			\$26,991,696.47

THE CANADIAN
1948 Crop Account
STATEMENT
For the period from 1st August 1948 to 30th November 1950

Flax acquired:

Purchased at Board support prices basis in store Fort William/Port Arthur or Montreal.....
Purchased from 1947 Crop Account basis \$3.80 per bushel for No. 1 Canada Western Flaxseed in
store Fort William/Port Arthur.....

Flax sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Montreal.....
Weight losses in transit and in drying and reconditioning.....

Futures contracts exchanged against cash flax sales:

Purchases.....
Sales.....

Deficit on cash flax transactions.....

Add: Carrying costs, interest, administrative and general expenses, etc:

Storage on flax stored in terminal elevators.....
Interest and bank charges.....
Handling and stop-off charges.....
Drying, reconditioning charges, etc.....
Brokerage and Clearing House charges.....
Administrative and general expenses to 31st July 1950.....
Add: Proportion of administrative and general expenses from 31st July 1950 to 30th November 1950.....

Deficit from the operations of the Board on 1948 Crop Account, Flax Division, for the period from
1st August 1948 to 30th November 1950.....

Note: In respect of the deficit shown above, The Canadian Wheat Board received \$3,881,963.67
from the Government of Canada on 27th March 1950.

HEAT BOARD
 Tax Division—P.C. 3376
 OPERATIONS
 48 to 30th November 1950

Bushels		Amount	
209,235-07		\$52,811,673.89	
<u>98,768-36</u>	<u>13,308,003-43</u>	<u>359,331.05</u>	\$53,171,004.94
	13,307,907-08	50,161,901.51	
	96-35	—	
27,000-00	\$482,333.75		
<u>27,000-00</u>	<u>482,600.00</u>	<u>266.25</u>	<u>50,162,167.76</u>
	<u>13,308,003-43</u>		
			3,008,837.18
		1,821,209.57	
		1,490,623.58	
		36,212.17	
		(803.13)	
		67.08	
	45,052.54		
	<u>5,000.00</u>	<u>50,052.54</u>	<u>3,397,361.81</u>
			<u>\$ 6,406,198.99</u>

PART V
AUDITORS' REPORT

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS

To The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board in which are separately recorded the transactions relating to the marketing of wheat, oats, barley and flax of the Crop Accounts and for the periods indicated in Part IV of the Report of the Board for the crop year 1949-50. The transactions on these accounts have been verified in such detail and to such extent as we have deemed necessary in view of the system of internal accounting control maintained by the Board. In this connection we have examined vouchers and other documentary evidence in support of the grain and financial transactions and have received all the information and explanations which we have required from members, officers and employees of the Board.

We have examined the Statements of Operations and have reviewed the explanatory comments relative thereto as set forth in Part IV of the Annual Report of the Board. We report that in our opinion these Statements and supplementary data are properly drawn up and presented so as to exhibit a true and correct view of the final results of marketing operations on 1945-49 Pool Account—Wheat, 1949 Crop Oats Account, 1949 Crop Barley Account and 1948 Crop Account Flax, according to the best of our information, the explanations given to us, and as shown by the books of the Board.

Winnipeg, Manitoba
28th February 1951

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

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REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1950-1951

REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1950-1951

Report of The Canadian Wheat Board

Crop Year 1950-1951

by the **RIGHT HONOURABLE C. D. HOWE**,
Minister of Trade and Commerce,
OTTAWA, Canada.

re:

We beg to submit herewith the Annual Report of The Canadian Wheat Board for the crop year ended July 31, 1951, as required by The Canadian Wheat Board Act, 1935. The Report includes final operating statements for the 1950-51 Wheat, Oats and Barley Pools.

PART I

General Comment — Crop Year 1950-51

The world wheat situation in 1950-51 was characterized by a high level of production in most wheat producing areas, and a somewhat larger international movement of wheat than in 1949-50. Europe again harvested a good wheat crop—probably the largest of the post-war period. A slightly larger production was recorded in 1950 in the United Kingdom, Spain, Portugal, Italy and Western Germany, while somewhat smaller crops were harvested in The Netherlands, Belgium and France. Production of wheat in Asia in 1950 was significantly higher than in 1949, largely due to increased production in Iran, Turkey and India.

Of the chief exporting countries, the United States and Australia harvested smaller crops, but these decreases in production were partially offset by increased production in Canada and Argentina. The availability of wheat of milling grades was, of course, reduced by the large quantity of low grade wheat harvested in Canada.

The four chief exporting countries all exported more wheat (including flour) in 1950-51 than in the previous crop year. Canadian exports were 41 million bushels as compared with 225 million bushels in 1949-50; the United States, 365 million bushels, as compared with 298 million bushels; Argentina, 103 million bushels, as compared with 7 million bushels; and Australia, 134 million bushels, as compared with 107 million bushels.

2. The International Wheat Agreement

The crop year 1950-51 coincided with the second year of the International Wheat Agreement. Under this Agreement which came into effect on August 1, 1949 and extends to July 31, 1953, minimum and maximum prices for wheat are as follows:

<u>Crop year</u>	<u>Minimum</u>	<u>Maximum</u>
1949-50.....	\$1.50	\$1.80
1950-51.....	1.40	1.80
1951-52.....	1.30	1.80
1952-53.....	1.20	1.80

Minimum and maximum prices under the International Wheat Agreement are basis No. 1 Northern Wheat in store Fort William/Port Arthur expressed in Canadian currency at the parity of the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1, 1949.

On September 20, 1949 the Government of Canada devalued the Canadian dollar, thereby discounting the Canadian dollar in relationship to its parity of the International Monetary Fund as of March 1, 1949. Accordingly, the maximum price of wheat under the International Wheat Agreement (\$1.80 per bushel in terms of gold or equivalently in terms of the United States dollar which remained at par in relationship to gold) became \$1.98 per bushel as expressed in Canadian

currency for No. 1 Northern Wheat basis in store Fort William/Port Arthur.

This maximum International Wheat Agreement price in terms of Canadian currency continued until October 2, 1950 when the Canadian dollar was allowed to find its own level on exchange markets. On and after this date, maximum and minimum prices under the International Wheat Agreement expressed in Canadian currency became variable as the value of the Canadian dollar fluctuated in relation to its International Monetary Fund parity as at March 1, 1949, or in relationship to the United States dollar. On October 2, 1950 the International Wheat Agreement maximum price became \$1.91½ per bushel in terms of Canadian funds, for No. 1 Northern Wheat basis in store Fort William/Port Arthur, reflecting the narrowing of the discount on the Canadian dollar to 6% under the United States dollar. On October 3rd the discount of the Canadian dollar under the United States dollar narrowed to 4½% and the International Wheat Agreement maximum price became \$1.88½ per bushel in Canadian funds for No. 1 Northern Wheat basis in store Fort William/Port Arthur. Depending upon the discount of the Canadian dollar in terms of the United States dollar, the International Wheat Agreement maximum price ranged between \$1.86 per bushel and \$1.93 per bushel in Canadian currency for the balance of the crop year, and ranged between \$1.88¾ and \$1.90¾ basis No. 1 Northern Wheat in store Fort William/Port Arthur from August 1, 1951 until the closing of the 1950-51 Pool Account on October 20, 1951.

Throughout the crop year the Board's International Wheat Agreement selling price for No. 1 Northern Wheat was at the maximum as expressed in Canadian funds. The discounts for grades of wheat other than No. 1 Northern, which were sold under the Agreement, were varied from time to time.

On August 1, 1950 Canada's guaranteed quantity under the International Wheat Agreement was 215.8 million bushels. Due to accessions to the Agreement, increased quantities granted to some importing countries, and adjustments in export quantities as between exporting countries, Canada's guaranteed quantity increased to 221.6 million bushels by July 31, 1951.

Canadian sales of wheat (including flour) under the Agreement amounted to 194.7 million bushels.

During the crop year a number of importing countries took quantities of low grade wheat under the Agreement and this was of great assistance to the Board under the circumstances which existed.

3. The Canadian Position

The Canadian wheat position was dominated in 1950-51 by factors arising from:

- (a) The lateness of the 1950 wheat crop;
- (b) The volume of low grades harvested;
- (c) The volume of tough and damp wheat harvested;
- (d) Seasonal elevator congestion;
- (e) Continuing transportation problems arising from the lateness of the crop and other factors.

In selling wheat in 1950-51 the Board was confronted with two contrasting problems; the first, to make limited supplies of milling grades of wheat go as far as possible in meeting domestic and overseas requirements for these grades; the second, to warehouse and transport unusually large quantities of low grade wheat, only part of which could be disposed of within the crop year.

Under the circumstances which prevailed, the Board endeavoured to meet domestic and export demand for milling grades of wheat as continuously as possible throughout the crop year, and to the extent that such grades could be placed in saleable positions. The Board endeavoured to take delivery of low grades of wheat from producers as rapidly as country elevator space and transportation permitted, and gave continuous attention to finding and developing markets for these grades.

Throughout the crop year domestic and export demand for milling grades of wheat was very active and markets were obtained for substantial quantities of low grade wheat.

4. Legislation

Two important amendments to The Canadian Wheat Board Act were passed at the 1951 Session of Parliament.

The first amendment provided that adjustment payments may be made on a grade basis in the event of an increase in initial prices during pool period.

The second amendment made provision for the transfer by the Board of any unsold balance of wheat delivered during a preceding pool period to its accounts for the then current pool period at such prices as the Governor in Council deemed reasonable. The purpose of the amendment was to make provision for the winding-up of annual pools as soon as possible after the close of a crop year. The powers conveyed to the Governor in Council by this amendment were permissive, not mandatory.

6. Wheat Policy

In accordance with The Canadian Wheat Board Act, 1935 as amended, the Board administered an annual pool in respect to wheat delivered to the Board between August 1, 1950 and July 31, 1951.

Under authority of Order-in-Council P.C. 3702, July 28, 1950 (Canadian Wheat Board Regulations) the initial price for wheat was established at \$1.40 per bushel basis No. 1 Northern in store Port William/Port Arthur or Vancouver. Initial prices for other grades of wheat were established by the Board and approved by Order-in-Council P.C. 5057, October 25, 1950.

Under Order-in-Council P.C. 429, January 24, 1951 and effective February 1, 1951, the initial price was increased to \$1.60 per bushel basis No. 1 Northern Wheat in store Port William/Port Arthur or Vancouver and an adjustment payment of 20 cents per bushel was authorized on all wheat delivered to the Board between August 1, 1950 and January 31, 1951.

Order-in-Council P.C. 6242, November 19, 1951 authorized the Board to transfer unsold wheat stocks in the 1950-51 Pool as at October 20, 1951 to the 1951-52 Pool Account. Order-in-Council P.C. 6251, November 19, 1951 authorized the Board to distribute the surplus in the 1950-51 Pool and approved the final payments for each grade of wheat delivered to the Board between August 1, 1950 and July 31, 1951.

Under provision of Order-in-Council P.C. 702, July 28, 1950 the Board was required to sell wheat for domestic use at the same price as it sold wheat for export under the International Wheat Agreement.

Crop Development and Wheat Supplies

There was a slight decrease in the acreage sown to wheat in Canada in 1950. The area seeded to wheat in Canada was 27,021,200 acres as compared with 27,574,700 acres in 1949. Wheat acreage in the Prairie Provinces in 1950 was 25,836,000 acres as compared with 26,524,000 acres in 1949.

The spring of 1950 was unusually late and seeding did not become general until mid-May and was not completed until early June. Early season moisture supplies were above normal in Manitoba, but considerably below normal in Saskatchewan and Alberta. In Manitoba the wheat crop entered the month of July with good stands, but crop development was from three to four weeks later than normal. Cool weather retarded development and by late August very little harvesting had been completed. Harvesting operations proceeded in September, subject to frequent delays on account of fall rains. In Saskatchewan the wheat crop, although later than usual, developed well in the month of July except

in the southwestern section and other local areas. General rains in mid-July improved prospects but retarded development of the heavy crops in the eastern part of the province. Cool weather also delayed maturity of all grains. In mid-August crop conditions were generally favourable in Saskatchewan except for the factor of lateness. On August 19th, 20th and 22nd light to heavy frosts were experienced over wide areas and the damage to grade was severe and extensive. Harvesting was further delayed and quality impaired by wet weather. Grain crops in Alberta were affected by lack of moisture in the early part of the growing season and excessive moisture in some areas in the latter part of the growing season and in most areas during the harvesting period. Frost damage was widespread but variable in intensity.

In spite of the late spring and the abnormal growing and harvesting seasons, the outturn of the 1950 wheat crop was above average, while the grade pattern was unusually low.

Although affected by a late spring and a relatively cool growing season, wheat production in Eastern Canada was higher than in 1949, the increase in production being principally in Ontario.

Wheat production in Canada in 1950 amounted to 461.7 million bushels as compared with 371.4 million bushels in 1949. Production of wheat in the Prairie Provinces amounted to 427.0 million bushels as compared with 341.0 million bushels in 1949. Supplies of wheat from the 1950 crop were supplemented by the commercial carryover of wheat (wheat in country elevators, terminal elevators, mills and in transit, etc.) on July 31, 1950 which amounted to 98.0 million bushels.

7. Export Movement

The following table shows the monthly exports of Canadian wheat (including flour) for the crop year 1950-51:*

	Million Bushels
August, 1950.....	15.5
September.....	16.3
October.....	17.5
November.....	23.5
December.....	14.3
January, 1951.....	17.5
	104.6
February.....	14.9
March.....	16.3
April.....	18.5
May.....	24.4
June.....	30.3
July.....	31.9
	136.3
TOTAL.....	240.9

*Source: Board of Grain Commissioners for Canada. Statistics subject to revision.

In 1950-51 exports of wheat (including flour) amounted to 240.9 million bushels as compared with 225.1 million bushels in 1949-50.

The monthly distribution of exports of wheat reflected the late crop. Exports in the last half of the crop year were relatively large and exports in May, June and July were the heaviest of the crop year.

The following table shows 1950-51 exports of wheat (not including flour) to the principal importing countries:

	Bushels
United Kingdom.....	78,139,576
Belgium.....	16,332,808
Italy.....	12,387,556
Japan.....	11,471,357
India.....	11,403,285
Union of South Africa.....	7,899,095
Switzerland.....	5,868,382
Ireland.....	4,718,843
Norway.....	3,042,693
Chile.....	2,500,444
Israel.....	2,029,626
Colombia.....	1,504,126
Spain.....	1,331,107
Netherlands.....	1,172,871
Malta.....	1,105,766
Bolivia.....	716,167
Tripoli.....	625,223
France.....	600,712
Germany.....	415,702
Brazil.....	377,066
Turkey.....	367,125
Portugal.....	251,979
Ecuador.....	141,818
United States: Milling in Bond.....	5,461,836
Consumption.....	14,841,533
Other Countries.....	332,668
TOTAL.....	185,039,364

In 1950-51, exports of wheat amounted to 185.0 million bushels as compared with 179.5 million bushels in 1949-50. The United Kingdom was the largest buyer of Canadian wheat. Belgium, Italy, Japan, India, the Union of South Africa, Switzerland, Ireland and Norway were all substantial importers of Canadian wheat in 1950-51, together taking 73.1 million bushels. In Latin America, Chile was the largest purchaser followed by Colombia, Bolivia, Brazil and Ecuador. The Netherlands, Malta and Spain purchased over 1.0 million bushels each during the crop year.

The Canadian milling industry increased the usage of wheat during 1950-51; total mill grind amounting to 106.7 million bushels as compared with 90.0 million bushels in 1949-50. The increase in mill purchases of wheat was due largely to increased export demand, including larger purchases by the United Kingdom. Flour exports in 1950-51 amounted to the equivalent of 55.9 million bushels of wheat as compared with 45.7 million bushels in 1949-50.

The following table shows flour exports to principal export markets during 1950-51 (expressed in terms of bushels of wheat):

	Bushels
United Kingdom.....	23,416,691
British West Indies.....	5,407,303
Philippine Islands.....	4,343,463
Italy.....	4,047,993
Venezuela.....	3,069,297
Cuba.....	2,575,899
Hong Kong.....	1,312,538
British Guiana.....	857,718
British Malaya.....	648,954
Japan.....	634,581
Syria.....	628,938
Indonesia.....	535,261
Costa Rica.....	491,571
Colombia.....	491,607
Ecuador.....	413,392
Morocco.....	390,654
Guatemala.....	362,533
Germany.....	410,220
Ceylon.....	334,364
Haiti.....	330,268
Dominican Republic.....	312,318
Norway.....	300,434
Israel.....	285,089
Malta.....	285,628
Gold Coast.....	265,063
Panama.....	263,844
Gibraltar.....	242,568
Belgian Congo.....	236,889
Netherlands Antilles.....	207,967
El Salvador.....	192,258
Surinam.....	186,219
Siam.....	177,246
Portuguese Africa.....	163,539
Arabia.....	144,104
Iceland.....	139,068
Nicaragua.....	106,020
Other Countries.....	1,709,983
TOTAL.....	55,921,482

The United Kingdom was again the large individual market for Canadian flour, taking the equivalent of 23.4 million bushels of wheat in the form of flour. Other leading flour markets were the British West Indies, the Philippine Islands, Italy, Venezuela, Cuba and Hong Kong. The balance of Canadian flour exports consisted of shipments to a large number of markets which import Canadian flour in varied but steady volume.

During 1950-51 the United States bonded mill purchased 5.5 million bushels of wheat for milling in bond as compared with 11.3 million bushels the previous crop year.

WHEAT EXPORTS BY PORTS

In 1950-51 wheat exports through Eastern Canadian ports amounted to 91.5 million bushels. Pacific Coast clearances were 64.8 million bushels and 6.7 million bushels were exported through

Churchill. Export shipments through Eastern United States ports amounted to 1.6 million bushels. Direct export shipments from the Lakehead amounted to .1 million bushels. The balance wheat exports, 20.3 million bushels, went to destinations in the United States.

Transportation

On July 31, 1950 commercial stocks of wheat, oats and barley were 98.0 million bushels, 11.0 million bushels and 8.9 million bushels respectively. These stocks were mostly in forward positions at the start of the crop year and were utilized to supply domestic and export markets until 1950 crops became available.

The lateness of the 1950 crop imposed limitations on the volume of grain which could be moved the fall months and, along with the unusual loading of 1950-51 marketings, left a shipping problem which could not be entirely resolved within the crop year.

By mid-September, 1950 producers' marketings amounted to 59.9 million bushels of all grains compared with 145.5 million bushels for the same period in 1949. In the last half of September, marketings improved and reached a total of about 136.2 million bushels by the end of September. It was during the latter part of September that country elevator stocks reached levels which permitted the maximum employment of available transportation. Car loadings at country points in August and September, 1950 were about 35,000 less than during the same two months in 1949—a deficit which was not offset in the relatively short period remaining before the close of navigation on the Great Lakes.

With the fall shipping season so limited, the Board was concerned not only with the total movement of grain which was possible in October and November, 1950, but also with the use of available transportation to ship grain urgently needed to meet market requirements. Wheat of milling grades was needed at all times for domestic and for export, and was given a shipping preference wherever possible. Low grade wheat, available generally in Saskatchewan and almost exclusively at many delivery points, if shipped in quantities greatly in excess of requirements, could have congested storage facilities at the Lakehead and in Eastern Canada. Throughout the difficult fall months it was the policy of the Board to ship grains and grades of grains which could go as far as possible in meeting the most urgent requirements. In October and November, 1950, country elevator shipments amounted to about 117 million bushels of grain, consisting of 11 million bushels of wheat, 22 million bushels of oats, 24 million bushels of barley and about 3 million bushels of rye and flaxseed.

The circumstances which delayed the movement of grain out of country elevators also slowed down the movement of grain into and out of Fort William/Port Arthur. From August 1, 1950 to the close of navigation in the second week in December, Lakehead receipts of all grains amounted to about 134 million bushels as compared with about 188 million bushels in the same period in the previous year. Shipments of grain from the Lakehead by boat and by rail, amounted to about 114 million bushels as compared with about 165 million bushels in the corresponding period in 1949.

As wheat became available in Alberta, a sustained movement to the Pacific Coast was undertaken. From August 1, to December 31, 1950, receipts of wheat at Pacific Coast ports amounted to 12.4 million bushels. These shipments to the West Coast, supplemented by the July 31, 1950 carryover of wheat at Vancouver and New Westminster, enabled the Board to carry out a comparatively large export programme from the West Coast in the first five months of the crop year.

Exports of wheat for the August-December period, 1950 from all ports and to the United States amounted to 68.3 million bushels as compared with 85.9 million bushels during the same period in 1949.

Actual shipments of grain out of country elevators amounted to about 185 million bushels of all grains to mid-December. With total marketings for the crop year in excess of 550 million bushels, a very large volume of grain remained to be moved from country positions during the balance of the crop year.

At the close of navigation on the Great Lakes, stocks of grain at Fort William/Port Arthur amounted to about 45 million bushels. With elevator capacity at the Lakehead greatly reduced by the wide range of grades in the 1950 crop, and the necessity of conditioning large quantities of wheat, oats and barley, there was a limit to the quantity of grain which could be shipped to Fort William/Port Arthur during the winter months. By February 1st, stocks of grain at the Lakehead were pressing upon prevailing capacity and subsequent shipments to the Lakehead until the opening of navigation were limited to about the quantity of grain being shipped out of the Lakehead by rail. From the close of navigation in December until the opening of navigation in April, Lakehead receipts of grains amounted to about 57 million bushels. These shipments along with shipments to western mills, feeding centres and to the Pacific Coast, permitted a movement of about 110 million bushels of grain out of country elevators during the season of closed navigation.

During the late fall and winter months, interior terminal elevators, and terminal elevators

at the Lakehead and the Pacific Coast carried out a large operation in the drying of grain. A total of about 52.0 million bushels¹ of wheat and other grains were dried during the crop year.

By the opening of navigation in late April, 1951 substantial quantities of grains—about 144 million bushels—remained in country elevators, and producers still had about 140 million bushels of grain to deliver prior to the end of the crop year. During the final three months of the crop year the Board's shipping problem involved more than transportation. To meet commitments it was necessary for the Board to continue to press for the shipment of high grade wheat, and as the crop year progressed, country elevator stocks consisted more and more of low grade wheat. All these stocks of low grade wheat could not be shipped to terminal positions without congesting the Lakehead and eastern terminals. From the opening of navigation to the end of the crop year, the railways moved about 186 million bushels of grain from country elevators, and during the three month period maintained shipments to Fort William/Port Arthur about in line with available space at the Lakehead. On July 31, 1951 stocks of all grains in country elevators amounted to 100.6 million bushels, while stocks of grain at Fort William/Port Arthur amounted to 55.7 million bushels.

In summary, the late crops combined with the effects of bad harvesting weather meant a late start in the moving of the 1950 crop, and this adversely affected the grain movement throughout the entire crop year.

9. Delivery Quotas

On July 25, 1950 the Board announced there would be no delivery quotas on rye or flaxseed for the crop year 1950-51 and that quotas on wheat, oats and barley would be left open after August 1, 1950 until the new crop deliveries reached such a volume as to make necessary the establishment of delivery quotas for these grains. On August 10, 1950 the Board announced that effective August 14, 1950, the delivery quota on wheat, oats and barley would be eight bushels per seeded acre at all points in the designated area, but the Board immediately increased delivery quotas in the low yield areas. As the fall progressed, the Board adjusted delivery quotas to space available at country delivery points, taking into account the progress of threshing throughout the West. Early in the crop year, provision was made for producers with barley suitable for malting to deliver one carlot over the authorized quota.

During the month of October, 1950, quotas were removed at all points in Alberta on and to the

south of the C.P.R. main line, and in the Peace River territory as well as in the Peace River block in British Columbia. At the same time, a small portion of south-west Saskatchewan from Swift Current to the Alberta boundary via main line C.P.R. and north to and including C.P.R. line from Swift Current to Empress was declared open.

On November 25, 1950 the remaining delivery quotas in Alberta were removed and on December 12, 1950 all delivery points in Manitoba were placed on an open quota. Open delivery quotas at all delivery points in Saskatchewan were established on January 11, 1951.

Owing to special problems arising from the unusual growing and harvesting seasons, it was necessary for the Board to adjust delivery quota policy to the circumstances which prevailed. The over-riding consideration during the period when delivery quotas were in effect and, in fact, throughout the entire crop year, was to secure delivery as much wheat of milling grades as possible in order to meet domestic and export commitments for these grades.

10. Handling Agreement

The 1950-51 Handling Agreement negotiated between the Board and handling companies provided for handling margins of 4½ cents per bushel on wheat and barley, and 3½ cents per bushel on oats. These handling margins were the same as those in effect during the previous crop year. The storage rate which was 1/25 of a cent per bushel per day for wheat, oats and barley in the 1949-50 Handling Agreement was reduced to 1/50 of a cent per bushel per day in the 1950-51 Agreement.

11. 1950-51 Pool Account—Wheat

BOARD RECEIPTS

The following table shows Board receipts of wheat from producers, by months, for the period from August 1, 1950 to July 31, 1951:

	Bushels
August, 1950.....	54,083,376-55
September.....	84,609,731-50
October.....	50,816,597-55
November.....	26,573,572-30
December.....	33,693,260-15
January, 1951.....	7,207,018-35
February.....	5,106,283-25
March.....	6,920,678-35
April.....	19,230,900-00
May.....	34,577,108-20
June.....	43,406,329-20
July.....	
TOTAL.....	366,224,857-40

¹Source: Board of Grain Commissioners for Canada.

Board receipts from producers amounted to 6.2 million bushels in the crop year 1950-51 as compared with 320.0 million bushels in 1949-50. Producers' marketings were heavy September through January and again in May, June and July, when 97.2 million bushels, or 26.5% of total Board receipts were delivered by producers. A total of 77.9 million bushels of wheat was delivered to the Board in the last sixty days of the crop year.

Board receipts from others than producers amounted to 498,372-15 bushels.

GRADE PATTERN OF PRODUCERS' MARKETINGS

In 1950-51 producers delivered 366.2 million bushels of wheat to the Board. The grade pattern of these deliveries was an important factor in the administration of the 1950-51 Pool Account. Grades of wheat received from producers are shown in summary form in the following table:

Grade*	Bushels	Percent
1 Northern.....	15,780,823-15	4.3
2 Northern.....	57,839,322-30	15.8
3 Northern.....	70,040,262-25	19.1
4 Northern.....	51,315,401-15	14.0
1 to No. 4 Amber Durum.....	14,539,772-00	4.0
1 to No. 3 C.W. Garnet.....	3,611,204-20	1.0
5 Wheat.....	70,358,198-45	19.2
6 Wheat.....	46,931,408-45	12.8
Feed Wheat.....	29,812,344-05	8.1
Other Grades.....	5,996,120-20	1.7
	<u>366,224,857-40</u>	<u>100.0</u>

The foregoing table shows deliveries of wheat to the Board in the crop year 1950-51, by principal grades. Board receipts of No. 1 to No. 4 Northern wheat amounted to 194,975,809-25 bushels, or 53.2% of total receipts for the crop year. Of these higher grades, No. 3 Northern predominated with 70,040,262-25 bushels, followed by No. 2 Northern and No. 4 Northern with 57,839,322-30 and 51,315,401-15 bushels respectively.

An important feature of Board receipts was the volume of No. 5, No. 6 and Feed Wheat received by the Board. No. 5 Wheat was the largest single grade received by the Board in 1950-51, receipts of this grade amounting to 70,358,198-45 bushels. Receipts of No. 6 Wheat and Feed Wheat amounted to 46,931,408-45 bushels and 29,812,344-05 bushels respectively. Total receipts of No. 5, No. 6 and Feed Wheat amounted to 147,101,951-35 bushels, or 40.2% of total Board receipts for the crop year.

Board receipts of tough and damp wheat of all grades amounted to 55,162,331-05 bushels, of which 42,523,340-55 bushels were tough and 12,638,990-10 bushels were damp.

*Including Toughs and Damps.

The diversity of grades in Board receipts was unusually high in 1950-51, a total of 339 different grades of wheat being received from producers.

The combination of an unusually large number of grades and unusually large quantities of tough and damp grain substantially reduced the effective storage capacity at country points and at Lake-head terminals.

TOTAL WHEAT STOCKS

In addition to 1950-51 receipts, the Board also had on hand on August 1, 1950, remaining stocks in the 1945-49 Pool amounting to 92,093,340-22 bushels, consisting principally of No. 1 and No. 2 Northern Wheat.

SALES POLICY—WHEAT

In selling wheat, the Board adhered to the following policy:

(1) In view of the 1945-49 Pool carryover on July 31, 1950 and the large quantities of wheat which would be delivered to the Board by producers during the crop year 1950-51, the Board pursued an aggressive sales policy from the start of the crop year. The Board sold wheat on a scale which pressed on available transportation throughout the crop year. Early in the crop year, in addition to selling maximum quantities of wheat for early shipment, the Board entered into commitments for the delivery of wheat over the remaining months of the crop year to the extent that it felt that wheat could be placed in seaboard positions at later dates.

(2) First sales in the crop year 1950-51 were credited to the 1945-49 Pool, and under this policy 92,093,340-22 bushels of 1945-49 Pool wheat carried over on July 31, 1950 were disposed of by December, 1950.

(3) Because of frost damage, the Board realized that it would not have enough wheat of milling grades to meet domestic and full export demand until the 1951 harvest. As the domestic market and the export market required a continuous flow of wheat of milling grades, the movement of high grade wheat was given preference throughout the crop year.

(4) While the carryover of wheat on July 31, 1950 consisted of high grade wheat, Board receipts of milling grades of wheat from the 1950 crop were limited, and of milling grades about 62% consisted of No. 3 and No. 4 Northern. Throughout the crop year the Board endeavored to give a fair proportion of each of the available milling grades to its principal markets. The Board made every effort to inform importing countries of the exceptional nature of the 1950 wheat crop and the majority of them accepted lower grades of wheat than they usually purchased in Canada.

(5) Following the frost damage to the 1950 wheat crop, the Board realized that producers would deliver from 150 to 160 million bushels of low grade wheat during the crop year. Therefore, the Board made every effort to find markets for low grade wheat and endeavoured to sell low grade wheat at prices reasonably related to the prices at which it was selling milling grades. The Board felt that the manner in which low grade wheat was merchandised would have a very considerable effect upon markets for, and prices obtainable for the large quantities of oats and barley which producers would deliver in 1950-51. Had low grade wheat available in such large volume been treated as a distressed commodity, or sold in excess of available markets, the basis upon which oats and barley could have been sold would have been seriously prejudiced.

BOARD SALES OF WHEAT

In the following paragraphs Board sales of wheat applicable to the 1945-49 Pool carryover and the 1950-51 Pool Account are described.

(1) *The 1945-49 Pool Carryover*

A total of 92,093,340-22 bushels of 1945-49 Pool wheat was carried over on July 31, 1950. These stocks were disposed of by December, 1950 as recorded in the Annual Report of The Canadian Wheat Board for 1949-50. (Part IV)

(2) *1950-51 Pool Account*

With the object of closing the 1950-51 Pool Account as soon as possible after the end of the crop year, the Board continued to credit sales to the 1950-51 Pool Account until October 20, 1951. From August 1, 1950 to October 20, 1951, sales from the 1950-51 Pool Account amounted to 271,345,082-55 bushels including an allowance of 1,025,395-15 bushels for weight losses in transit and in drying and reconditioning.

The details of sales were as follows:

	Bushels
Domestic Sales.....	51,947,665-10
Export Sales at Class II prices.....	80,286,062-00
Export Sales under terms of the International Wheat Agreement.....	138,085,960-30
Weight losses in transit and in drying and reconditioning.....	1,025,395-15
	<u>271,345,082-55*</u>

*A complete distribution of Board sales during the crop year 1950-51 is obtained by combining sales of 1945-49 Pool stocks on hand on July 31, 1950 and sales from the 1950-51 Pool. The over-all result is shown in the following table:

	1945-49 Pool	1950-51 Pool	Total
		(bushels)	
Domestic Sales.....	22,128,781-17	51,947,665-10	74,076,446-27
Export Sales at Class II prices.....	13,306,752-10	80,286,062-00	93,592,814-10
Export Sales under terms of the International Wheat Agreement.....	56,657,448-25	138,085,960-30	194,743,408-55
Weight losses in transit and in drying and reconditioning	358-30	1,025,395-15	1,025,753-45
	<u>92,093,340-22</u>	<u>271,345,082-55</u>	<u>363,438,422-77</u>

As shown by the above table, sales of wheat for domestic purposes amounted to 51,947,665-10 bushels. Sales of wheat under the terms of the International Wheat Agreement amounted to 138,085,960-30 bushels, while Class II sales were 80,286,062-00. Class II sales included 49,434,189-30 bushels of low grade wheat and 30,851,872-30 bushels of milling grades of wheat.

TRANSFER OF UNSOLD STOCKS

Under provisions of Section 24(a) of the Act, the 1950-51 Pool Account was closed as at October 20, 1951. All unsold wheat in the 1950-51 Pool was transferred to the 1951-52 Pool as at the foregoing date. The transfer was authorized by the Governor in Council under Order-in-Council P.C. 6242 dated November 19, 1951.

The following table summarizes the grades of wheat (including toughs and damps) transferred to the 1951-52 Pool as at October 20, 1951:

Grade	Bushels
No. 1 Northern.....	1,350,785-31
No. 2 Northern.....	4,898,970-56
No. 3 Northern.....	5,451,862-22
No. 4 Northern.....	8,481,858-17
No. 5 Wheat.....	29,735,980-05
No. 6 Wheat.....	28,151,612-05
Feed Wheat.....	10,974,174-05
All Other Grades.....	6,332,903-39
	<u>95,378,147-00</u>

As shown above, No. 5, No. 6 and Feed Wheat predominated in the transfer to the 1951-52 Pool these grades accounting for 68,861,766-15 of 95,378,147-00 bushels transferred.

†For text of this Section see Page 22.

Price Basis of Transfer

The transfer of unsold stocks of wheat in the 1950-51 Pool to the 1951-52 Pool was made on the following bases:

MILLING GRADES OF WHEAT

Milling grades of wheat were transferred on the basis of the Board's International Wheat Agreement sales prices for each grade on October 20, 1951 plus the prevailing 6 cents per bushel carrying charge less an allowance of 2 cents per bushel for subsequent carrying charges. Sales contracts for the delivery of wheat after October 20, 1951 were considered in arriving at the basis of transfer.

LOW GRADES OF WHEAT

The transfer of low grades of wheat was made on the basis of the Board's Class II prices* for these grades on October 20, 1951 less an allowance of 4 cents per bushel for subsequent carrying charges and market risk.

TRANSFER PRICES

The following table shows the Board's International Wheat Agreement selling prices (October

*As at the date of transfer the Board's Class II prices for low grades were the same as the Board's International Wheat Agreement selling prices for these grades of wheat plus the 6 cents per bushel carrying charge.

20th) plus the 6 cents per bushel carrying charge on the transfer prices for grades No. 1 to No. 4 Northern, and the Board's Class II selling prices (October 20th) for lower grades of wheat along with their transfer:

	Board's I.W.A. Prices plus 6 cents per bushel carrying charge	Transfer Prices
	(per bushel)	(per bushel)
No. 1 Northern.....	\$1.94 ³ / ₄	\$1.92 ³ / ₄
No. 2 Northern.....	1.92 ³ / ₄	1.90 ³ / ₄
No. 3 Northern.....	1.90 ³ / ₄	1.88 ³ / ₄
No. 4 Northern.....	1.84 ³ / ₄	1.82 ³ / ₄
	Board's Class II Prices	
No. 5 Wheat.....	1.72 ³ / ₄	1.68 ³ / ₄
No. 6 Wheat.....	1.60 ³ / ₄	1.56 ³ / ₄
Feed Wheat.....	1.54 ³ / ₄	1.50 ³ / ₄

On the basis of sales of 271,345,082-55 bushels and the transfer of 95,378,147-00 bushels to the 1951-52 Pool Account, the final surplus of the 1950-51 Pool amounted to \$106,154,976.85 as shown in the operating statement on page 10.

Surplus for Distribution to Producers

The surplus in the 1950-51 Pool Account for distribution to producers was as follows:

Surplus as at October 20, 1951.....		\$106,154,976.85
<i>Deduct:</i> Prairie Farm Assistance Act levy	\$1,059,932.00	
Cost of issuing Final Payment	225,907.74	1,285,839.74
		104,869,137.11
<i>Add:</i> Additional interest earned after October 20, 1951.....		64,130.45
Surplus for distribution to Producers		<u>\$104,933,267.56</u>

The distribution of surplus funds in the 1950-51 Pool was authorized by Order-in-Council P.C. 6251, November 19, 1951. On producers' deliveries of 366,224,857-40 bushels, the final payment averaged .651 cents per bushel.

The following table shows initial payment prices, adjustment payments and final payments and the realized price for the principal grades of wheat, basis in store Fort William/Port Arthur or Vancouver:

	Initial Payment	Adjustment Payment	Final Payment	Net Realized* Price
	(dollars per bushel)			
No. 1 Northern.....	1.40	.20	.25498	1.85498
No. 2 Northern.....	1.37	.20	.25809	1.82809
No. 3 Northern.....	1.30	.20	.29343	1.79343
No. 4 Northern.....	1.22	.20	.32076	1.74076
No. 5 Wheat.....	1.12	.20	.32030	1.64030
No. 6 Wheat.....	1.06	.20	.24511	1.50511
Feed Wheat.....	1.00	.20	.24562	1.44562
No. 1 Amber Durum.....	1.40	.20	.25498	1.85498
No. 2 Amber Durum.....	1.37	.20	.26380	1.83380
No. 3 Amber Durum.....	1.25	.20	.32133	1.77133

The Board commenced final payment cheques to producers on November 22nd, and the mailing of cheques was completed on December 17, 1951.

*Basis in store Fort William/Port Arthur or Vancouver—and after allowing for all Board operating costs.

1950-51 Pool Account—Wheat

The following table shows the operating results of the 1950-51 Pool Account from August 1, 1950 to the closing date of the Pool on October 20, 1951:

	Bushels	
1. Wheat Acquired by the Board:		
(a) Producers' Deliveries, August 1, 1950 to July 31, 1951.....	366,224,857-40	
(b) Wheat Otherwise Acquired ①.....	498,372-15	
Total Wheat Acquired.....	366,723,229-55	
	(Value)	(Value)
2. Cost of Wheat Acquired.....		\$512,639,080.2
3. Proceeds of Sales—August 1, 1950 to October 20, 1951.....	\$483,805,010.37	
Sales Value of Stocks Transferred to 1951-52 Pool Account as at October 20, 1951 ②.....	158,339,297.11	642,144,307.4
		129,505,227.3
4. Add: Recovery of Storage, Interest and Differ- ential Charges.....		3,284,514.4
5. Gross Surplus as at October 20, 1951.....		132,789,741.1
6. Operating Costs—August 1, 1950 to October 20, 1951:		
(a) Carrying Charges including Terminal Storage.....	22,447,953.72	
(b) Interest and Bank Charges.....	1,710,381.66	
(c) Additional Freight (Net).....	(35,972.39)	
(d) Handling, Stop-off and Diversion Charges.....	578,957.27	
(e) Drying, Reconditioning, Grade Adjustments, etc.....	527,275.67	
(f) Administrative and General Expenses.....	1,406,169.06	26,634,764.4
7. Surplus in the 1950-51 Pool Account as at October 20, 1951.....		\$106,154,976.4

① Net bushels acquired from the adjustment of overages and shortages, etc. at country and terminal elevators at Board initial prices, basis in store Fort William/Port Arthur or Vancouver.

② For details of transfer see Pages 8 and 9.

Comments on 1950-51 Pool—Wheat

OPERATING COSTS

From August 1, 1950 to October 20, 1951, the Board operating costs were \$26,634,764.99, of which \$3,284,514.62 was recovered in differential charges, storage, interest, etc.

(1) Carrying Charges

On 366,723,229-55 bushels of wheat delivered to the Board, carrying charges, including terminal storage, amounted to \$22,447,953.72, or 6.1212 cents per bushel. These costs amounted to 84.3 percent of total operating costs.

(2) Administrative and General Expenses

Administrative and general expenses amounted to \$1,406,169.06, or .3834 cent per bushel on deliveries of 366,723,229-55 bushels.

(3) Interest and Bank Charges

Interest and bank charges amounted to \$1,710,381.66.

(4) Handling, Stop-off and Diversion Charges

In warehousing wheat in interior and other terminal elevators, the Board incurred handling, stop-off and diversion charges of \$578,957.27.

BOARD SELLING PRICES—1950-51 POOL

(a) Board Quoted Prices

The following table shows monthly average Board quotations for wheat from August 1, 1950 to October 20, 1951 (Basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver):

	① International Wheat Agreement and Domestic Price (cents per bushel)			② Class II Price (cents per bushel)		
	High	Low	Average	High	Low	Average
August, 1950.....	198	198	198	206	198	203 ³ / ₄
September.....	198	198	198	202	198	199 ¹ / ₈
October.....	191 ¹ / ₂	188 ¹ / ₂	189 ⁵ / ₈	196 ³ / ₄	193 ¹ / ₂	195 ³ / ₄
November.....	188 ¹ / ₂	186	187 ¹ / ₄	195 ¹ / ₂	193	194 ¹ / ₄
December.....	190 ³ / ₄	188 ³ / ₈	189 ³ / ₈	197 ³ / ₄	195 ³ / ₈	196 ³ / ₈
January, 1951.....	190 ¹ / ₄	188 ³ / ₄	189 ³ / ₈	208 ⁷ / ₈	195 ³ / ₄	201 ¹ / ₂
February.....	189 ⁵ / ₈	188	188 ⁷ / ₈	215 ¹ / ₄	211 ¹ / ₈	213 ¹ / ₈
March.....	189 ¹ / ₄	188	188 ¹ / ₂	224 ¹ / ₈	215 ³ / ₈	219 ⁷ / ₈
April.....	192 ¹ / ₄	189	190 ³ / ₄	230 ¹ / ₄	224	227 ¹ / ₈
May.....	192 ¹ / ₄	190 ¹ / ₈	191 ¹ / ₂	231 ¹ / ₄	228 ¹ / ₈	229 ³ / ₄
June.....	193	192	192 ¹ / ₂	233	231 ¹ / ₄	232 ¹ / ₄
July.....	192	190 ¹ / ₈	190 ⁷ / ₈	236 ³ / ₄	230 ³ / ₄	234 ³ / ₄
August.....	190 ³ / ₄	189 ¹ / ₄	190 ¹ / ₈	236 ³ / ₄	235 ¹ / ₄	236 ¹ / ₈
September.....	190 ¹ / ₄	189 ⁵ / ₈	190	240 ¹ / ₄	239 ¹ / ₈	240
October 1-20.....	189 ⁷ / ₈	188 ³ / ₄	189 ¹ / ₂	239 ¹ / ₈	239 ¹ / ₄	239 ⁵ / ₈

From August 1, 1950 to October 20, 1951 the Board sold wheat under the International Wheat Agreement basis the maximum price provided for the Agreement and this price basis also applied to domestic sales. Fluctuations in the Board's quoted prices for No. 1 Northern Wheat under the International Wheat Agreement were due solely to the varying value of the Canadian dollar in relation to its parity determined for the purposes of the International Monetary Fund as at March 1, 1951. (See Pages 1 and 2 of this Report)

Board quotations for Class II wheat declined

moderately during the August-December period and steadily increased January through September. Only limited quantities of milling grades of wheat were available for sale on a Class II basis throughout the selling period of the 1950-51 Pool. Principal Class II sales consisted of low grade wheat, and on these grades the Board maintained its Class II selling prices at the same level as its selling prices under the International Wheat Agreement. The Class II prices quoted above are therefore only significant to the limited extent to which the Board sold milling grades of wheat on a Class II basis.

① The six-cent per bushel carrying charge which came into effect on June 15, 1951 applied on International Wheat Agreement sales for registration for the crop year commencing on August 1, 1951 and on domestic sales on and after June 15, 1951. The above prices are exclusive of the six-cent per bushel carrying charge where applicable.

② In order to facilitate sales of low grade wheat the Board's International Wheat Agreement and Class II selling prices for wheat grading No. 5 and lower were on the same basis on and after August 31, 1950.

3. Average Realized Prices

The following table shows the average price, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, realized by the Board for 1950-51 Pool Wheat:

	Bushels	Sales Basis	
		Basis No. 1 Nor. Whe. In Store Ft. Wm./Pt. Ar	
		(\$ per bushel)	
International Wheat Agreement Sales.....	138,085,960-30	1.89871	①
Domestic Sales.....	51,947,665-10	1.90370	②
Class II Sales:			
High Grade Wheat.....	30,851,336-20	2.05036	
Low Grade Wheat.....	49,434,725-40	1.90846	③
Sale to 1951-52 Pool:			
High Grade Wheat.....	24,573,283-05	1.86750	②
Low Grade Wheat.....	70,804,863-55	1.90750	
Weight losses in transit, drying and reconditioning.....	1,025,395-15		
	<u>366,723,229-55</u>		

12. Oats and Barley

CROPS AND SUPPLIES

The area seeded to oats in the Prairie Provinces in 1950 was 7,446,000 acres as compared with 7,339,000 acres in 1949. Prairie production was estimated at 254 million bushels as compared with 190 million bushels in the previous year.

Barley acreage in 1950 was somewhat higher than in 1949, amounting to 6,205,000 acres as compared with 5,617,000 acres in 1949. Barley production was estimated at 157 million bushels as compared with 109 million bushels in 1949.

Eastern production of oats was substantially larger, and barley was slightly larger than in 1949.

Commercial supplies of oats and barley carried into the crop year 1950-51 were relatively small, amounting to 11.0 and 8.9 million bushels respectively.

LEGISLATION

Under Order-in-Council P.C. 3702, July 28, 1950 (Canadian Wheat Board Regulations) Part III and Part IV of The Canadian Wheat Board Act were extended to oats and barley for the crop year ending July 31, 1951.

Under the same authority, the initial price of oats was established at 65 cents per bushel for No. 2 C.W. Oats basis in store Fort William/Port

Arthur, and the initial price of barley was established at 93 cents per bushel for No. 3 C.W. Six-Row Barley basis in store Fort William/Port Arthur.

Order-in-Council P.C. 430, January 24, 1951, authorized the Board to increase the initial price of oats from 65 cents per bushel to 75 cents per bushel basis No. 2 C.W. Oats in store Fort William/Port Arthur and authorized the Board to make an adjustment payment of 10 cents per bushel on all oats delivered to the Board between August 1, 1950 and January 31, 1951.

Order-in-Council P.C. 431, January 24, 1951, increased the initial price of barley from 93 cents per bushel to \$1.13 per bushel basis No. 3 C.W. Six-Row Barley in store Fort William/Port Arthur, and authorized the Board to make an adjustment payment of 20 cents per bushel on all barley delivered to the Board between August 1, 1950 and January 31, 1951.

The transfer of stocks of unsold barley in the 1950-51 Pool as at September 22, 1951 to the 1951-52 Pool was authorized by Order-in-Council P.C. 5456, October 13, 1951 and the distribution of the final surplus in the 1950-51 Barley Pool was approved by Order-in-Council P.C. 5457, October 13, 1951.

The transfer of stocks of unsold oats in the 1950-51 Pool as at October 6, 1951 was authorized by Order-in-Council P.C. 5646, October 22, 1951.

① Exclusive of 6-cent per bushel carrying charge effective on sales for registration under the Agreement on and after August 1, 1951.

② Exclusive of 6-cent per bushel carrying charge which became effective on June 15, 1951.

③ Actual realized prices for straight grades of No. 5, No. 6 and Feed Wheat were \$1.70142, \$1.61097 and \$1.53905 per bushel respectively.

and the distribution of the final surplus in the 1950-51 Oats Pool was authorized by Order-in-Council P.C. 5686, October 25, 1951.

1950-51 Oats Pool

Board Receipts

The following table shows Board receipts of oats, by months, from August 1, 1950 to July 31, 1951:

	Bushels
August, 1950.....	—
September.....	7,527,317-04
October.....	16,188,718-04
November.....	15,135,513-26
December.....	9,900,184-07
January, 1951.....	8,529,417-25
February.....	3,063,048-24
March.....	2,374,501-16
April.....	3,876,702-02
May.....	7,873,408-26
June.....	12,200,617-02
July.....	15,755,378-29
TOTAL.....	102,424,807-29

Board receipts of oats in 1950-51 amounted to 2.4 million bushels as compared with 80.2 million bushels in 1949-50. October and November were the heaviest delivery months of the fall period, and producers continued to deliver oats in good volume in December and January. Board receipts increased sharply commencing in May. In June and July, 27.9 million bushels of oats were delivered to the Board.

Board receipts of tough and damp oats amounted to 18,966,952-32 bushels and 160,192-31 bushels respectively.

Sales—1950-51 Oats Pool

The 1950-51 Oats Pool was closed on October 6, 1951. On that date the position of the Pool was as follows:

	Bushels
Board Receipts.....	102,424,807-29
Completed Sales—August 1, 1950 to October 6, 1951..	99,367,359-30
Uncompleted Sales as at October 6, 1951*.....	3,057,447-33

*Covered by sales of futures contracts.

Transfer to the 1951-52 Pool

Stocks of cash oats of 3,057,447-33 and related sales of futures contracts were transferred to the 1951-52 Pool as at October 6, 1951. The principal grades of oats transferred were as follows:

	Bushels
No. 2 Canada Western.....	61,421-17
No. 3 Canada Western.....	324,950-19
No. 1 Feed.....	360,696-15
No. 2 Feed.....	1,120,638-31
No. 3 Feed.....	397,974-22
Tough No. 1 Feed.....	293,169-04
Tough No. 2 Feed.....	76,726-15
All Other Grades.....	421,870-12
TOTAL.....	3,057,447-33

The foregoing transfer was made under provision of Section 24(a) of the Act, and was authorized by Order-in-Council P.C. 5646, October 22, 1951.

Price Basis of Transfer

Since futures contracts covering unsold cash oats had been sold prior to October 6th, the actual transfer involved pricing the various grades of oats in relation to the closing price of the October future on October 6th, namely, 89½ cents per bushel.

1950-51 Pool Account—Oats

The following table shows the operating results of the 1950-51 Oats Pool from August 1, 1950 to the closing date of the Pool on October 6, 1951:

	Bushels		
1. Oats Acquired by the Board:			
(a) Producers' Deliveries, August 1, 1950 to July 31, 1951.....	102,422,598-13		
(b) Oats Otherwise Acquired ①	2,209-16		
Total Oats Acquired.....	102,424,807-29		
		(Value)	(Value)
2. Cost of Oats Acquired.....			\$70,318,533.8
3. Proceeds of Sales—August 1, 1950 to October 6, 1951.....	\$81,347,586.40		
Transferred to 1951-52 Pool as at October 6, 1951.....	2,449,960.26		83,797,546.6
4. Gross Surplus as at October 6, 1951.....			13,479,012.8
5. Operating Costs, August 1, 1950 to October 6, 1951:			
(a) Carrying Charges including Terminal Storage.....	3,032,342.95		
(b) Interest and Bank Charges.....	4,915.07		
(c) Freight Recovery on Export Oats.....	(10,831.51)		
(d) Handling, Stop-off and Diversion Charges.....	(65.14)		
(e) Drying, Reconditioning, Grade Adjustments, etc.....	253,811.66		
(f) Brokerage and Clearing Association Charges.....	24,866.00		
(g) Administrative and General Expenses.....	380,718.22		3,685,757.
6. Surplus in the 1950-51 Oats Pool Account as at October 6, 1951.....			<u>\$9,793,255.</u>

① Purchases from non-producers at the Board's initial prices basis in store Fort William/Port Arthur.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1950-51 Oats Pool for distribution to producers was as follows:

Surplus as at October 6, 1951.....		\$9,793,255.56
<i>Deduct:</i> Prairie Farm Assistance Act levy	\$97,367.89	
Cost of issuing Final Payment.....	59,846.99	157,214.88
		<hr/>
		9,636,040.68
<i>Add:</i> Additional interest earned after October 6, 1951.....		3,380.75
		<hr/>
Surplus for distribution to Producers.....		\$9,639,421.43
		<hr/> <hr/>

The distribution of surplus funds in the 1950-51 Oats Pool was authorized by Order-in-Council C. 5686, October 25, 1951. On producers' deliveries of 102,422,598-13 bushels, the surplus was \$9,639,421.43, or an average of 9.41 cents per bushel.

The following table shows initial prices, adjustment payments and final payments and the net realized prices for the principal grades of oats delivered to the Board in 1950-51 (basis in store Fort William/Port Arthur):

	Initial Payment	Adjustment Payment	Final Payment	① Net Realized Price
	(cents per bushel)			
No. 2 C.W. Oats.....	65	10	9.710	84.710
No. 3 C.W. Oats.....	62	10	8.934	80.934
No. 1 Feed Oats.....	60	10	8.599	78.599
No. 2 Feed Oats.....	53	10	12.384	75.384
No. 3 Feed Oats.....	48	10	14.758	72.758
Extra No. 1 Feed Oats.....	62	10	8.866	80.866
Tough No. 2 C.W. Oats.....	61	10	10.210	81.210
Tough No. 3 C.W. Oats.....	58	10	9.434	77.434
Tough No. 1 Feed Oats.....	56	10	9.099	75.099
Tough No. 2 Feed Oats.....	49	10	12.884	71.884
Tough Extra No. 1 Feed Oats.....	58	10	9.366	77.366
Damp No. 1 Feed Oats.....	51	10	8.599	69.599
Damp No. 2 Feed Oats.....	44	10	12.384	66.384

①Basis in store Fort William/Port Arthur after deducting Board operating costs of 3.5985 cents per bushel.

GENERAL COMMENT ON THE MARKETING OF OATS—1950-51

1. Sales

In selling oats delivered in 1950-51, the Board followed the same general sales policy which was in effect in the previous crop year. At all times the Board was a free seller of oats to the extent that terminal supplies would permit. The market-

ing of oats during the crop year 1950-51 reflected the lateness of the 1950 crop, difficulty in moving country receipts into saleable positions, and very heavy deliveries by producers in the months of June and July, when Board receipts amounted to about 28 million bushels. The following table shows deliveries to the Board, net sales by the Board, and stocks of oats held by the Board at the end of each month:

	Deliveries to the Board	Net Sales of 1950 Crop by the Board (bushels)	Balance of 1950 Crop held by the Board at end of month
August, 1950.....	—	8,349,000-00	(8,349,000-00)
September.....	7,527,317-04	7,080,528-13	(7,902,211-09)
October.....	16,188,718-04	11,079,842-28	(2,793,335-33)
November.....	15,135,513-26	8,576,660-18	3,765,517-09
December.....	9,900,184-07	6,218,419-04	7,447,282-12
January, 1951.....	8,529,417-25	6,694,798-11	9,281,901-26
February.....	3,063,048-24	6,761,388-02	5,583,562-14
March.....	2,374,501-16	6,030,132-14	1,927,931-16
April.....	3,876,702-02	6,365,523-13	(560,889-29)
May.....	7,873,408-26	5,513,825-18	1,798,693-13
June.....	12,200,617-02	6,279,172-05	7,720,138-10
July.....	15,755,378-29	8,048,178-16	15,427,338-23
August.....	—	15,427,338-23 ①	—
	102,424,807-29	102,424,807-29	

①Includes adjustments required to close 1950-51 Oats Pool as at October 6, 1951.

In spite of the late harvest the Board made relatively heavy sales in August and September, 1950 for future delivery and in anticipation of sizeable receipts of oats in terminal positions by the end of October. As shown in the above table, selling was relatively steady November through July. Heavy Board sales in August, 1951 reflected equally heavy year-end deliveries of oats by producers. By the end of August, 1951 all oats delivered by producers to the 1950-51 Pool had been sold. Some of these sales, however, were sales of October future contracts, and between September 1st and October 6th, transactions were confined to the pricing of cash oats in relation to futures which had been previously sold. Cash oats which were not finally priced as at October 6th, 1951 were then transferred to the 1951-52 Pool along with the relevant sales of futures contracts.

In disposing of oats the Board sold 87.9 million bushels in the futures market and 14.3 million bushels were sold flat.

Export markets were very important in disposing of the large quantity of oats delivered to the 1950-51 Pool. During the crop year ending July 31, 1951 exports of oats amounted to 34.7 million

bushels, of which 30.5 million bushels went to the United States and 4.2 million bushels to overseas destinations. In addition, a further 13.4 million bushels of oats were exported in August and September, 1951, principally to the United States.

Thus, close to one-half of the oats delivered to the 1950-51 Pool went into export markets.

The Board's monthly average quoted price for No. 3 C.W. Oats and No. 1 Feed Oats were as follows:

	No. 3 C.W. Oats	No. 1 Feed Oats
	(cents per bushel)	
August, 1950.....	87 ³ / ₄	86 ⁷ / ₈
September.....	88 ¹ / ₂	87 ¹ / ₈
October.....	86 ¹ / ₈	82 ⁷ / ₈
November.....	92 ³ / ₈	89 ³ / ₈
December.....	95 ³ / ₈	92 ¹ / ₈
January, 1951.....	101	96 ³ / ₈
February.....	105 ³ / ₈	101 ³ / ₈
March.....	101 ³ / ₄	97 ¹ / ₈
April.....	99 ¹ / ₄	95 ³ / ₈
May.....	89 ¹ / ₄	87 ³ / ₈
June.....	80 ⁷ / ₈	79 ¹ / ₈
July.....	77 ³ / ₈	76 ⁷ / ₈
August.....	80 ³ / ₄	78 ⁵ / ₈
September.....	85 ³ / ₈	82
October 1 to 6, 1951.....	88 ¹ / ₄	83 ⁵ / ₈

Prices for oats were fairly strong during the fall months, advanced moderately during the winter months, declined in the last three months of the crop year under the influence of the large crop in prospect for 1951 and strengthened slightly in August and September, 1951.

Board Operating Costs—1950-51 Oats Pool

Net Board operating costs applicable to the 1950-51 Oats Pool were \$3,685,757.25, or 3.5985 cents per bushel. Carrying charges, including terminal storage, constituted the principal item in operating costs, amounting to \$3,032,342.95 or 2.9606 cents per bushel. Administrative and general expenses were \$380,718.22, which amounted to .3717 cent per bushel. Drying, reconditioning, grade adjustments, etc. involved costs of \$253,811.66, or .2478 cent per bushel. Brokerage and Clearing Association charges were \$24,866.00. Freight recoveries, interest and bank charges, handling, crop-off and diversion charges resulted in a small net surplus.

4. 1950-51 Barley Pool

Board Receipts

The following table shows Board receipts of barley, by months, from August 1, 1950 to July 31, 1951:

	Bushels
August, 1950.....	—
September.....	10,990,811-38
October.....	18,287,849-17
November.....	13,752,272-30
December.....	7,084,127-29
January, 1951.....	6,077,912-26
February.....	2,573,873-25
March.....	2,109,302-23
April.....	2,375,932-33
May.....	4,337,544-11
June.....	6,551,753-32
July.....	9,381,382-23
TOTAL.....	83,522,762-47

Board receipts of barley in 1950-51 amounted to 83.5 million bushels as compared with 53.3 million bushels in 1949-50. Board receipts were heavy in September, October and November, were well maintained in December and January, and increased sharply in the final two months of the crop year.

Board receipts of tough and damp barley amounted to 15,156,875-17 and 7,334,862-35 bushels respectively.

Sales—1950-51 Barley Pool

The 1950-51 Barley Pool was closed on September 22, 1951. On that date the position of the Pool was as follows:

	Bushels
Board Receipts.....	83,522,762-47
Completed Sales, August 1, 1950 to September 22, 1951.....	75,300,519-41
Uncompleted Sales as at September 22, 1951*.....	8,222,243-06

Transfer to the 1951-52 Pool

Stocks of cash barley amounting to 8,222,243-06 bushels were transferred to the 1951-52 Pool as at September 22, 1951. The principal grades of barley transferred were as follows:

	Bushels
No. 3 C.W. Six-Row Barley.....	1,166,544-11
No. 1 Feed Barley.....	4,077,403-41
No. 2 Feed Barley.....	1,255,926-34
No. 3 Feed Barley.....	1,112,134-25
All Other Grades.....	610,233-39
TOTAL.....	8,222,243-06

These stocks were transferred under provision of Section 24(a) of the Act, and the transfer was authorized by Order-in-Council P.C. 5456, October 13, 1951.

Price Basis of Transfer

Since futures contracts covering unsold cash barley had been sold prior to September 22nd, the actual transfer involved pricing the various grades of barley in relation to the closing price of the October future on September 22nd, namely, \$1.26 $\frac{1}{8}$ per bushel.

*Covered by sales of futures contracts prior to transfer date but premiums or discounts on cash stocks not established.

1950-51 Pool Account—Barley

The following table shows the operating results of the 1950-51 Barley Pool from August 1, 1950 to the closing date of the Pool on September 22, 1951:

	Bushels	
1. Barley Acquired by the Board:		
(a) Producers' Deliveries, August 1, 1950 to July 31, 1951.....	83,521,106-07	
(b) Barley Otherwise Acquired ①	1,656-40	
Total Barley Acquired.....	83,522,762-47	
	(Value)	(Value)
2. Cost of Barley Acquired.....		\$87,329,282.
3. Proceeds of Sales—August 1, 1950 to September 22, 1951.....	\$96,140,541.20	
Transferred to 1951-52 Pool as at September 22, 1951.....	10,056,851.27	106,197,392.
4. Gross Surplus as at September 22, 1951.....		18,868,109.
5. Operating Costs, August 1, 1950 to September 22, 1951:		
(a) Carrying Charges including Terminal Storage.....	2,917,736.69	
(b) Interest and Bank Charges.....	(1,777.13)	
(c) Freight Recovery on Export Barley.....	(125,820.77)	
(d) Handling, Stop-off and Diversion Charges.....	(569.60)	
(e) Drying, Reconditioning, Grade Adjustments, etc.....	428,540.48	
(f) Brokerage and Clearing Association Charges.....	15,648.17	
(g) Administrative and General Expenses.....	311,863.99	3,545,621.
6. Surplus in the 1950-51 Barley Pool Account at September 22, 1951.....		\$15,322,487.

①Purchases from non-producers at the Board's initial prices basis in store Fort William/Port Arthur.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1950-51 Barley Pool for distribution to producers was as follows:

Surplus as at September 22, 1951.....		\$15,322,487.66
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$152,647.01	
Cost of issuing Final Payment.....	63,076.03	215,723.04
		<hr/>
		15,106,764.62
<i>Add:</i> Additional interest earned after September 22, 1951.....		5,289.41
		<hr/>
Surplus for distribution to Producers.....		<u>\$15,112,054.03</u>

The distribution of surplus funds in the 1950-51 Barley Pool was authorized by Order-in-Council P.C. 5491, October 13, 1951. On producers' deliveries of 83,521,106-07 bushels, the final surplus for distribution averaged 18.09 cents per bushel.

The following table shows initial prices, adjustment payments and the net realized prices for the principal grades of barley delivered to the Board in 1950-51 (basis in store Fort William/Port Arthur):

	Initial Payment	Adjustment Payment	Final Payment	Net* Realized Price
	(dollars per bushel)			
No. 3 C.W. Six-Row.....	.93	.20	.20882	1.33882
No. 4 C.W. Six-Row.....	.88	.20	.18195	1.26195
No. 1 Feed Barley.....	.87	.20	.16164	1.23164
No. 2 Feed Barley.....	.80	.20	.18300	1.18300
No. 3 Feed Barley.....	.75	.20	.18712	1.13712
Tough No. 3 C.W. Six-Row.....	.89	.20	.20951	1.29951
Tough No. 4 C.W. Six-Row.....	.84	.20	.17775	1.21775
Tough No. 1 Feed.....	.83	.20	.15191	1.18191
Tough No. 2 Feed.....	.76	.20	.17521	1.13521
Tough No. 3 Feed.....	.71	.20	.17492	1.08492
Damp No. 3 C.W. Six-Row.....	.83	.20	.19820	1.22820
Damp No. 1 Feed.....	.77	.20	.13382	1.10382
Damp No. 2 Feed.....	.70	.20	.14813	1.04813
Damp No. 3 Feed.....	.65	.20	.13595	.98595

*Basis in store Fort William/Port Arthur after allowing for Board operating costs which amounted to 4.2451 cents per bushel.

GENERAL COMMENT ON THE MARKETING OF BARLEY—1950-51

1. Sales

Subject to the limitation on barley supplies in forward positions and to the necessity of continuing supplies, the Board offered barley freely

throughout the selling period of the 1950-51 crop year. In selling barley, the Board used the futures market but also sold substantial quantities of barley on a flat basis, basis in store Fort William/Port Arthur. The following table shows Board receipts, net sales by months, and stocks of barley held by the Board at the end of each month:

	Deliveries to the Board	Net Sales of 1950 Crop by the Board (bushels)	Balance of 1950 Crop held by the Board at end of month
August, 1950.....	—	6,314,000-00	(6,314,000-00)
September.....	10,990,811-38	8,025,348-46	(3,348,537-08)
October.....	18,287,849-17	10,773,263-45	4,166,048-12
November.....	13,752,272-30	5,972,898-28	11,945,422-14
December.....	7,084,127-29	4,794,364-35	14,235,185-08
January, 1951.....	6,077,912-26	5,386,404-36	14,926,692-46
February.....	2,573,873-25	4,829,770-43	12,670,795-28
March.....	2,109,302-23	5,030,338-27	9,749,759-24
April.....	2,375,932-33	4,953,746-06	7,171,946-03
May.....	4,337,544-11	5,868,244-22	5,641,245-40
June.....	6,551,753-32	6,034,932-23	6,158,067-01
July.....	9,381,382-23	9,459,445-18	6,080,004-06
August.....	—	6,080,004-06 ①	—
	83,522,762-47	83,522,762-47	

① Includes adjustments required to close 1950-51 Barley Pool as at September 22, 1951.

With a late crop in prospect the Board made substantial sales of barley in August and September, 1950 for future delivery, and October was the heaviest selling month of the crop year, reflecting in part seasonal demand for barley of malting grades. Board sales were steady November through May and June, and relatively heavy in July and August, reflecting the year-end deliveries of barley by producers. The Board completed its sales of barley futures in August but continued to dispose of cash barley up until the closing of the 1950-51 Pool on September 22nd. All cash stocks of barley belonging to the 1950-51 Pool as at September 22, 1951 were then transferred to the 1951-52 Pool along with corresponding sales of futures contracts.

In disposing of barley, the Board sold 58.6 million bushels in the futures market and 24.4 million bushels were sold flat.

During 1950-51 there was a steady demand for barley for export purposes although the quality of malting grades of barley militated against sales to the United States. During 1950-51 exports of barley amounted to 23.1 million bushels, about half of which went to the United States. The largest overseas buyer was Belgium, which took 7.9 million bushels. Other important buyers were

Japan, France and Switzerland. In August and September, 1951 barley exports amounted to a further 7.1 million bushels, the principal buyers being Belgium, United Kingdom and The Netherlands.

The Board's monthly average quoted prices for No. 3 C.W. Six-Row Barley and No. 1 Feed Barley were as follows:

	No. 3 C.W. 6-Row Barley	No. 1 Feed Barley
	(cents per bushel)	
August, 1950.....	152 ⁷ / ₈	143 ³ / ₈
September.....	151 ³ / ₄	138 ⁷ / ₈
October.....	157 ³ / ₄	135 ¹ / ₂
November.....	152 ⁷ / ₈	139 ⁵ / ₈
December.....	146 ⁷ / ₈	134
January, 1951.....	157 ⁷ / ₈	143 ⁷ / ₈
February.....	168 ⁷ / ₈	153 ⁷ / ₈
March.....	166 ³ / ₄	151 ³ / ₄
April.....	160 ⁷ / ₈	145 ³ / ₈
May.....	136 ¹ / ₂	124 ³ / ₈
June.....	126 ⁷ / ₈	117 ¹ / ₈
July.....	119 ⁷ / ₈	115 ⁷ / ₈
August.....	120 ⁷ / ₈	117
September (to 22nd).....	131 ⁷ / ₈	122 ⁵ / ₈

Board offering prices for barley were relatively stable during the fall months, increased sharply during the winter months, working to substantially lower levels in May, June, July and August, with a moderate upturn in September.

2. Board Operating Costs—1950-51 Barley Pool

Total Board operating costs applicable to the 1950-51 Barley Pool amounted to \$3,545,621.83, or 4.2451c per bushel. Of these operating costs, 82% consisted of carrying charges which amounted to \$2,917,736.69, or 3.4933c per bushel. Drying,

reconditioning, grade adjustments, etc. amounted to \$428,540.48, or .513 cent per bushel. Administrative and general expenses were \$311,863.99, or .3734 cent per bushel. Accounts relating to interest and bank charges, freight recoveries and handling, stop-off and diversion charges showed operating surpluses for the Pool.

15. Payment Division

The Payment Division was extremely active in 1950-51. The following table shows the major payments completed within the crop year:

	Date first Cheques Mailed	Date Completed	Number of Cheques Issued	Total Value of Cheques Issued
1949 Crop Barley Final Payment.....	Oct. 16/50	Oct. 21/50	96,711	\$ 26,643,973.33
1949 Crop Oats Final Payment.....	Oct. 24/50	Nov. 3/50	121,349	15,546,322.39
1950 Crop Oats and Barley Adjustment Payment*.....	Mar. 9/51	Mar. 27/51	182,203	16,881,569.78
1950 Crop Wheat Adjustment Payment.....	Mar. 29/51	Apr. 24/51	322,834	49,629,262.54
1945-49 Pool Wheat Final Payment.....	Apr. 23/51	May 26/51	472,164	115,313,716.65
			<u>1,195,261</u>	<u>\$224,014,844.69</u>

*Combined for payment purposes.

The final payment on the 1945-49 Pool was made on the basis of surrendered producers' certificates, while other payments were made on the basis of Board records of producers' deliveries. It was demonstrated in these payments that the latter method of distributing surplus funds to producers permits prompter and faster payments to producers.

In addition to the foregoing payments, the Payment Division distributed \$3,160,626.09 in respect to previously authorized payments.

16. Legal Department

The Legal Department dealt with all matters of a legal nature affecting the operations of the Board. Of particular importance during the crop year was the legal work arising from the 1950 amendments to The Canadian Wheat Board Act. The Department continued to assist the Payment Division in connection with payments to estates. During the crop year there were 70 prosecutions in connection with breaches of the Act and Regulations thereunder as compared with 91 prosecutions during the previous crop year.

17. Staff and Officers

The following table shows the number of employees of the Board on July 31, 1950 and July 31, 1951:

	July 31 1950	July 31 1951
Head Office, Winnipeg....	609	648
Calgary, Alta.....	31	33
Vancouver, B.C.....	16	17
London, England.....	4	4
	<u>660</u>	<u>702</u>

Under conditions which prevailed in 1950-51 a slightly larger staff was required in the Country Operations Department and in the Sales Department. In addition, a number of employees were added to the Machine Accounting Department in connection with general accounting work and in preparation for the final payments on wheat, oats and barley.

18. Advisory Committee

During the crop year 1950-51 two meetings of the Advisory Committee were held. Members of the Advisory Committee during 1950-51 were: L. Hutchinson, (Chairman), Calgary, Alta.; D. I. Walker, Toronto, Ont.; J. C. A. Nijdam, Winnipeg, Man.; F. H. Clendenning, Vancouver, B.C.; J. Theo Roy, Montreal, Que.; J. H. Wesson, Regina, Sask.; R. C. Brown, Winnipeg, Man.; F. Pettypiece, Auld, Ont.; J. A. McCowan, Summerberry, Sask.; P. Farnalls, Halkirk, Alta.; C. E. Hayles, Winnipeg, Man.

PART II

FINANCIAL STATEMENTS

The financial statements of The Canadian Wheat Board for the crop year ended July 31, 1951 are presented in this section of the Report and consist of a Consolidated Balance Sheet (Exhibit I) which sets forth the financial position of the Board as at the foregoing date, together with other statements showing the results of Board operations to the close of the crop year, all as tabulated in the index preceding the financial statements and as discussed in Part I of this Report.

During the crop year under review two important amendments to The Canadian Wheat Board Act were passed by Parliament, one of which had a material effect on the accounts of the Board and the presentation of its annual financial statements. This amendment reads as follows:

"24(a) The Governor in Council may authorize the Board to adjust its accounts at any time by transferring to the then current pool period all wheat delivered during a preceding pool period and then remaining unsold, and the Board shall credit to the accounts for that preceding pool period, and charge against the accounts for the current pool period, such amount as the Governor in Council deems to be a reasonable price for the wheat so transferred; and all wheat so transferred shall,
(a) for the purposes of the accounts relating

to that preceding pool period, be deemed to have been sold and paid for in full for the said amount, and

(b) in the accounts relating to the current pool period, be dealt with as though it had been sold and delivered to the Board by producers in the current pool period and purchased by the Board for the said amount, but no further certificates in respect thereof shall be issued under paragraph (c) of subsection one of section twenty-one."

This amendment is applicable to oats and barley as well as wheat.

The purpose of the foregoing amendment was to permit the closing of annual pool accounts as soon as possible after the end of a crop year and thus expedite the issuance of any final payments which might be due to producers on Board operations. In accordance with the provisions of this amendment the 1950-51 Pool Accounts for Wheat, Oats and Barley were closed and final payments distributed to producers. The following summary shows the dates on which these accounts were closed, together with the stocks which were transferred to the 1951-52 Pool Accounts for Wheat, Oats and Barley in accordance with the amendment to The Canadian Wheat Board Act previously referred to.

1950-51 Pool Accounts	Date Accounts Closed 1951	Stocks transferred to the 1951-52 Pool Accounts	
		Bushels	Value
Wheat.....	October 20	95,378,147-00	\$158,339,297.11
Carrying Charges Recoverable.....			1,474,396.98
Oats.....	October 6	3,057,447-33	\$ 2,449,960.26
Barley.....	September 22	8,222,243-06	\$ 10,056,851.27

The foregoing accounts, therefore, had been closed and final payments issued to producers prior to the date of this Report. Consequently after considering the proximity of the closing dates of the above accounts to the year end date of July 31, 1951, the operating statements for these accounts and the Consolidated Balance Sheet have been drawn up so as to provide for subsequent transactions from the year end date to the various closing dates as indicated above in order to reflect in the financial statements the

final operating results on the 1950-51 Pool Accounts for Wheat, Oats and Barley.

CONSOLIDATED BALANCE SHEET

The consolidated financial position of The Canadian Wheat Board as at July 31, 1951 including provision for transactions subsequent thereto and relevant to the final closing of the 1950-51 Pool Accounts for Wheat, Oats and

Barley, is set forth in Exhibit I. With respect to some of the items appearing on the Consolidated

Balance Sheet the following comments are submitted:

Funds on Deposit - \$30,451,515.42

During the crop year under review the Board was directed to issue payments to producers involving a cash distribution of \$227,776,167.72 and the details of these payments are as follows:

FINAL PAYMENTS:

1945-49 Pool Account—Wheat.....	\$119,075,039.68	
1949-50 Pool Account—Oats.....	15,546,322.39	
1949-50 Pool Account—Barley.....	26,643,973.33	\$161,265,335.40

ADJUSTMENT PAYMENTS:

1950-51 Pool Account—Wheat.....	49,629,262.54	
1950-51 Pool Account—Oats.....	5,707,963.15	
1950-51 Pool Account—Barley.....	11,173,606.63	66,510,832.32
		<u>\$227,776,167.72</u>

The Board was able to meet these and all its other daily cash commitments from its available cash resources and hence at no time during the 1950-51 Crop Year did it become necessary to borrow any of its cash requirements from the chartered banks. As at July 31, 1951, the Board had funds on deposit totalling \$30,451,515.42.

Stocks of Grain, Etc.—\$388,969,672.80

WHEAT STOCKS

As at July 31, 1951 stocks of wheat held by the Board totalled 195,876,519-15 bushels comprising stocks in store country elevators, in store terminal elevators and mills, in transit and in the custody of Agents. On October 20, 1951, the marketing operations on the 1950-51 Pool Account—Wheat were completed and the inventory at July 31, 1951 has been stated at the value which was ultimately received from the sale of the inventory during the period from August 1, 1951 to October 20, 1951 basis in store Fort William/Port Arthur or Vancouver.

Stocks in the custody of Agents represent wheat sold provisionally to Agents of the Board for which the Board had not received a final accounting in respect to the ultimate disposition of these stocks. The Board receives an advance from its Agents for wheat sold on a provisional basis and, as at July 31, 1951, this advance was basis \$1.98 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. As at July 31, 1951 advances received by the Board from its Agents totalled \$106,866,756.87 as shown on the Consolidated Balance Sheet.

OATS AND BARLEY STOCKS

Stocks of oats and barley as at July 31, 1951 in store country and terminal elevators and in transit were 28,769,736-09 bushels and 20,800,849-46

bushels respectively. Subsequent to July 31, marketing operations were completed on the 1950-51 Pool Account—Oats on October 6, 1951 and on the 1950-51 Pool Account—Barley on September 22, 1951. The respective inventories therefore of oats and barley are stated on the Consolidated Balance Sheet at the values which were ultimately received from the sale of these inventories during the period from August 1, 1951 to October 6, 1951 and during the period from August 1, 1951 to September 22, 1951 for the oats and barley inventories respectively.

Accounts Receivable—\$3,761,638.90

This item consists principally of carrying charges recoverable at the prevailing rate of 6 cents per bushel with respect to those sales of wheat completed during the period August 1, 1951 to October 20, 1951, and that portion of the transfer to the 1951-52 Pool Account as at October 20, 1951, to which the carrying charge is applicable.

Grain Trade Memberships—\$19,075.49

The Board owns memberships in the Winnipeg Grain Exchange, the Vancouver Grain Exchange, The Winnipeg Grain and Produce Exchange Clearing Association Limited, and the Lake Shippers' Clearance Association. These memberships are stated at cost less recorded dividends received to July 31, 1951.

***The Canadian Wheat Board Building,
at cost less depreciation - \$411,000.00***

Under the authority of Order-in-Council P.C. 146/2800 the Board purchased The Canadian Wheat Board Building on August 31, 1946 at a cost of \$450,000.00 for the land and buildings. During the 1948-49 Crop Year major alterations and repairs to the building were required and were completed at a cost of \$39,409.10, which amount was amortized over a period of three years. An amount of \$13,136.37 is chargeable to Board operations for the 1950-51 Crop Year and this completes the amortization of the foregoing amount of \$39,409.10.

In accordance with instructions received from the Government of Canada the Board was directed to pay, and without admitting any liability for taxes levied by the City of Winnipeg, a grant of \$30,146.66 to the City of Winnipeg in lieu of property and business taxes, which were applicable to The Canadian Wheat Board Building and rented premises, for the calendar year 1951. Of this amount \$17,585.57 is applicable to Board operations for the period from January 1, 1951 to July 31, 1951. The balance of \$12,561.09 has

been deferred and will be charged to the operations of the 1951-52 Crop Year. This amount is included in the item of \$19,308.87 as shown on the Consolidated Balance Sheet.

Depreciation has been provided on the building for the year ended July 31, 1951 at the rate of 2% per annum, amounting to \$7,800.00. The amounts for the amortization of major repairs, taxes and depreciation, are all included in the item of \$173,900.26 as shown on Exhibit XI.

Liability to Agents—\$162,592,665.76

Grain companies acting in the capacity of Agents of the Board accept deliveries from producers at country elevators and on behalf of the Board pay the producers basis the Board's initial price in effect. Settlement is not made by the Board for these purchases until delivery to the Board is completed by its Agents at terminal points. The liability to Agents amounting to \$162,592,665.76 represents the amount payable by the Board to its Agents for purchases from producers at country elevator points to July 31, 1951 for which delivery to and settlement by the Board will be completed subsequent to the date of the Balance Sheet.

Amounts Due to Producers

FINAL PAYMENTS

The amounts due to producers on outstanding participation certificates and cheques with respect to the final payments on the undernoted accounts are as follows:

	Outstanding Certificates	Outstanding Cheques	Total
WHEAT			
1940 Crop Account.....	\$ 84,927.11	\$ 7,758.51	\$ 92,685.62
1941 Crop Account.....	37,760.91	3,914.67	41,675.58
1942 Crop Account.....	44,028.02	4,543.54	48,571.56
1943 Crop Account.....	182,756.76	21,811.40	204,568.16
1944 Crop Account.....	224,305.73	29,689.58	253,995.31
1945-49 Pool Account.....	3,761,323.03	4,602,923.15	8,364,246.18
	<u>4,335,101.56</u>	<u>4,670,640.85</u>	<u>9,005,742.41</u>
COARSE GRAINS			
1949-50 Pool Account—Oats.....		70,897.40	70,897.40
1949-50 Pool Account—Barley.....		75,108.29	75,108.29
		<u>146,005.69</u>	<u>146,005.69</u>
Total amount payable on final payments— wheat and coarse grains.....	<u>\$4,335,101.56</u>	<u>\$4,816,646.54</u>	<u>\$9,151,748.10</u>

From August 1, 1951 to January 31, 1952 the Board paid \$4,879,840.62 in respect to the above liability of \$9,151,748.10.

ADJUSTMENT PAYMENTS

During the period of the 1945-49 Pool Account there were three adjustment payments authorized in respect to producers' deliveries on this account. Adjustment payments were also authorized on the 1950-51 Pool Accounts for Wheat, Oats and Barley in the amounts of 20 cents per bushel, 10 cents per bushel and 20 cents per bushel respectively in respect to producers' deliveries on these accounts for the period from August 1, 1950 to January 31, 1951. Relevant to these adjustment payments the Board still had to disburse as at July 31, 1951 the sum of \$2,640,509.64 which consisted of the following:

	Outstanding Certificates	Outstanding Cheques	Total
WHEAT			
Balance payable on the three adjustment payments authorized on the 1945-49 Pool Account.....	\$1,402,744.49	\$ 429,612.82	\$1,832,357.31
1950-51 Pool Account.....		665,595.05	665,595.05
	<u>1,402,744.49</u>	<u>1,095,207.87</u>	<u>2,497,952.36</u>
COARSE GRAINS			
1950-51 Pool Account—Oats		54,561.33	54,561.33
1950-51 Pool Account—Barley.....		87,995.95	87,995.95
		<u>142,557.28</u>	<u>142,557.28</u>
Total amount payable on adjustment payments—wheat and coarse grains....	<u>\$1,402,744.49</u>	<u>\$1,237,765.15</u>	<u>\$2,640,509.64</u>

In the period from August 1, 1951 to January 31, 1952 the Board paid \$977,806.49 in respect to the above liability of \$2,640,509.64.

During the 1949-50 Pool Period, Section 22(2) of The Canadian Wheat Board Act was amended by giving authority to the Board to make payments to producers without requiring producers to surrender the producer's certificates to the Board as a claim for payment. Under this authority the Board completed from its own records the issuance of cheques for the final payments on the 1949-50 Pool Accounts for Oats and Barley and the adjustment payments on the 1950-51 Pool Accounts for Wheat, Oats and Barley with the result that the only remaining liability of the Board relevant to these payments is in respect to cheques still held by producers and which have not been presented to the Board for payment.

OTHER ACCOUNTS—\$86,227.36

During the 1950-51 Crop Year the Board received for payment the remaining outstanding Emergency Wheat Receipts which were issued on the 1946 Crop Account under the authority of Order-in-Council P.C. 1890 of May 13, 1947. As at July 31, 1951, however, there were still a number of cheques in the hands of producers which had been issued in payment of Emergency Wheat Receipts of both the 1945 and 1946 Crop Accounts, but which still had not been presented

to the Board for payment. The details of these cheques are as follows:

1945 Crop Account (three cheques).....	\$ 2,212.88
1946 Crop Account (five cheques).....	10,978.47
	<u>\$13,191.35</u>

Other amounts shown as due to producers consist entirely of outstanding cheques in the hands of producers which were issued in respect to payments resulting from operations conducted by the Board under The Canadian Wheat Board Act, other than the marketing of producers' grain as shown on Exhibit IX.

Accrued Expenses and Accounts Payable—\$9,793,739.50

This item comprises in the main sundry accounts unpaid as at July 31, 1951, plus provisions for accrued carrying charges, storage charges, interest and all other charges on the 1950-51 Pool Accounts for Wheat, Oats and Barley from the year end date to the various dates subsequent thereto on which the operations of these three accounts were completed.

STATEMENTS OF OPERATIONS

Wheat Division

1950-51 POOL ACCOUNT

Operations on the 1950-51 Pool Account were completed as at October 20, 1951 and resulted in a surplus of \$106,154,976.85 to that date. The statement of operations to July 31, 1951 (Exhibit II) has been drawn up so as to reflect the final surplus realized from operations. This has been accomplished by valuing the inventory of wheat stocks at July 31, 1951 at the ultimate value which was received from the sale thereof during the period from August 1, 1951 to October 20, 1951 and by making provisions in the accounts as at July 31, 1951 for carrying charges, storage charges, interest and all other charges incident to the completion of operations on October 20, 1951.

In terms of Order-in-Council P.C. 429 of January 24, 1951 the initial price to be paid to

producers for No. 1 Northern wheat delivered to the Board during the 1950-51 Crop Year was increased from \$1.40 per bushel to \$1.60 per bushel basis in store Fort William/Port Arthur or Vancouver. The increase in the initial price became effective in respect to deliveries by producers at country elevators on and after February 1, 1951. In terms of the same Order the Board was directed to pay the sum of 20 cents per bushel to each producer who delivered wheat to the Board during the period from August 1, 1950 to January 31, 1951 in order to equalize the initial price to producers for the 1950-51 Crop Year to the new and higher level of \$1.60 per bushel for No. 1 Northern wheat basis in store Fort William/Port Arthur or Vancouver. The total amount of this adjustment payment, together with expenses incident to its distribution have been included in the computation of the final surplus of \$106,154,976.85. The amount available for final payment to producers on the 1950-51 Pool Account was \$104,933,267.56 computed as follows:

Surplus on operations for the period from August 1, 1950 to October 20, 1951.....		\$106,154,976.85
Add: Interest on the surplus to December 8, 1951.....		64,130.45
		<hr/> 106,219,107.30
Deduct: Estimated costs of issuing final payments to producers.....	\$ 225,907.74	
Prairie Farm Assistance Act levy.....	1,059,932.00	1,285,839.74
		<hr/> \$104,933,267.56

During the period of marketing operations the average price realized on the sale of wheat for No. 1 Northern in store Fort William/Port Arthur or Vancouver was \$1.92126 per bushel which resulted in a final payment to producers of 25.498 cents per bushel for this grade of wheat. The following table shows the computation of the final payment price:

Average realized selling price per bushel.....	\$ 1.92126
Less: Initial payment to producers as adjusted.....	1.60
	<hr/> .32126
Less: Cost per bushel for carrying charges, interest, administrative expenses, Prairie Farm Assistance Act levy, etc.....	.06628
	<hr/> .25498
Final payment to producers.....	<hr/> <hr/> 25.498 cents

Payments on grades other than No. 1 Northern varied according to the fixed initial discount under No. 1 Northern at which each grade of wheat was purchased from producers and the average of the discounts in relation to No. 1 Northern at which each grade of wheat was sold.

1945-49 POOL ACCOUNT

Operations on the 1945-49 Pool Account were completed as at December 31, 1950 and resulted in a surplus of \$55,605,794.98 for the period from August 1, 1945 to December 31, 1950. The final statement of operations on the 1945-49 Pool Account was presented in the Report of The Canadian Wheat Board for the year ended July 31, 1950. In accordance with the provisions of The Canadian Wheat Board Act the surplus is payable to producers as a final payment. Under

terms of Vote No. 576, The Appropriations Act, No. 2, 1951, the Government of Canada made available to the Board the sum of \$65,000,000.00 and directed the Board to include this amount in determining the final payment to producers on the 1945-49 Pool Account. After giving effect to the foregoing the total amount available for distribution to producers as a final payment on the 1945-49 Pool Account was \$119,075,039.68 which resulted in a rate of payment of 8.341 cents per bushel. The following summary sets forth the details of the computation of the final payment:

Surplus on operations for the period from August 1, 1945 to December 31, 1950.....		\$ 55,605,794.98
Add: Amount received from the Government of Canada....		65,000,000.00
		<hr/> 120,605,794.98
Add: Interest on the above amount as follows:		
On \$55,605,794.98 for the period from January 1, 1951 to May 23, 1951.....	\$ 98,033.78	
On \$65,000,000.00 for the period from April 23, 1951 to May 23, 1951.....	24,041.10	122,074.88
		<hr/> 120,727,869.86
Deduct: Estimated costs of issuing the final payment and completing the adjustment payments to producers.....	450,052.01	
Prairie Farm Assistance Act levy.....	1,202,778.17	1,652,830.18
		<hr/> \$119,075,039.68
Amount payable to producers.....		<hr/> <hr/> 1,427,587,096-10
Deliveries by producers on the 1945-49 Pool Account.....		<hr/> <hr/> 8.341 cents
Rate of payment per bushel.....		<hr/> <hr/>

Oats and Barley Division

Under the authority of The Canadian Wheat Board Act and Order-in-Council P.C. 3702 of July 28, 1950, the Board was authorized to purchase from producers during the 1950-51 Crop Year oats and barley produced in the designated area and to pay to producers a fixed initial price of 65 cents per bushel for No. 2 Canada Western Oats in store Fort William/Port Arthur and a fixed initial price of 93 cents per bushel for No. 3 Canada Western Six-Row Barley in store Fort William/Port Arthur. Operations on the 1950-51 Pool Account—Oats were completed on October 6, 1951 and on the 1950-51 Pool Account—Barley on September 22, 1951 resulting in surpluses of \$9,793,255.56 and \$15,322,487.66 respectively. The operating statements for these two accounts as at July 31, 1951 have been drawn up so as to reflect the final surpluses realized to the completion of operations. This has been accomplished by

valuing the inventories of oats and barley at July 31, 1951 at the ultimate values which were received from the sale of these inventories subsequent to the year end date and by making provisions in the accounts as at July 31, 1951 for carrying charges, storage charges, interest and all other charges incident to the completion of operations on October 6, 1951 for oats and September 22, 1951 for barley.

In accordance with the provisions of Orders-in-Council P.C. 430 and P.C. 431 of January 24, 1951 the initial prices to be paid to producers for No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley respectively were increased from 65 cents per bushel to 75 cents per bushel and from 93 cents per bushel to \$1.13 per bushel, all prices basis in store Fort William/Port Arthur. The increases in the initial prices became effective in respect to deliveries by producers at country elevators on and after February 1, 1951.

In terms of these same Orders the Board was directed to pay the sum of 10 cents per bushel to each producer who delivered oats to the Board during the period from August 1, 1950 to January 31, 1951 and to pay the sum of 20 cents per bushel to each producer who delivered barley to the Board during the same period. These payments were necessary to equalize the initial prices to producers for the 1950-51 Crop Year to the new and higher levels of 75 cents per bushel for No. 2 Canada Western Oats and \$1.13 per bushel for

No. 3 Canada Western Six-Row Barley, both prices basis in store Fort William/Port Arthur. The total amounts of these adjustment payments, together with expenses incident to their distribution, have been included in determining the final surpluses resulting from operations on the 1950 Crop Oats and Barley Accounts.

The amounts available for final payments to producers on the 1950-51 Pool Accounts for Oats and Barley were \$9,639,421.43 and \$15,112,054.03 respectively and were computed as follows:

	Oats	Barley
Surplus on operations for the period from—		
August 1, 1950 to September 22, 1951.....		\$15,322,487.66
August 1, 1950 to October 6, 1951.....	\$9,793,255.56	
<i>Add:</i> Interest on the surplus for the period from—		
September 23, 1951 to October 20, 1951.....		5,289.41
October 7, 1951 to November 3, 1951.....	3,380.75	
	<u>9,796,636.31</u>	<u>15,327,777.07</u>
<i>Deduct:</i> Estimated costs of issuing final payment to producers.....	59,846.99	63,076.03
Prairie Farm Assistance Act levy.....	97,367.89	152,647.01
	<u>157,214.88</u>	<u>215,723.04</u>
Amount payable to producers.....	<u>\$9,639,421.43</u>	<u>\$15,112,054.03</u>

During the period of marketing operations the average price realized on the sale of oats for No. 2 Canada Western Oats in store Fort William/Port Arthur was 91.506 cents per bushel and the average price on the sale of barley for No. 3 Canada Western Six-Row Barley in store Fort William/Port Arthur was \$1.39603 per bushel. The final payment prices in respect to the foregoing grades of oats and barley were 9.710 cents per bushel and 20.882 cents per bushel respectively computed as follows:

	No. 2 Canada Western Oats	No. 3 Canada Western 6 Row Barley
	\$	\$
Average realized selling price per bushel.....	.91506	1.39603
<i>Less:</i> Initial payment to producers as adjusted.....	.75	1.13
	<u>.16506</u>	<u>.26603</u>
<i>Less:</i> Cost per bushel for carrying charges, interest, administrative expenses, Prairie Farm Assistance Act levy, etc.....	.06796	.05721
Final payment to producers.....	<u>.09710</u>	<u>.20882</u>
	<u>9.710 cents</u>	<u>20.882 cents</u>

Payments on grades other than No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley varied according to the fixed initial discounts under No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was purchased from producers and the average of the premiums or discounts in relation to No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was sold.

Order-in-Council P.C. 1292 of April 3, 1947 provided that oats and barley stocks, whole or processed, in commercial channels in Canada as at March 17, 1947 be vested in the Board. A substantial amount of oats and barley delivered to the Board under the terms of this Order was delivered under protest and, as at July 31, 1948, 40,000-00 bushels of barley still had not been delivered to the Board. Action was commenced by the Board to recover possession of this barley and the documents relating thereto for the Crown pursuant to the terms of the said Order. The action was heard in March, 1948, by the Chief Justice of the Court of King's Bench in Winnipeg and in his Judgment the Board's claim to the barley was dismissed. An appeal from this Judgment to the Court of Appeal of Manitoba was dismissed on March 10, 1949. A further appeal was launched with the Supreme Court of Canada and on November 20, 1950 this appeal was also dismissed. At the date of this Report a further appeal is pending before the Judicial Committee of the Privy Council.

Transactions in oats and barley acquired under the terms of this Order resulted in a surplus of \$6,723,274.03 to July 31, 1951 as set forth in Exhibit VI. In terms of the Order this surplus is payable to the Consolidated Revenue Fund of the Government of Canada and an amount of \$6,324,789.99 was remitted to Ottawa on March 31, 1948. Subject to interest and other adjustments beyond the close of the crop year under review the balance of the surplus amounting to \$398,484.04 will be paid to the Government of Canada as required by the Order.

The Report of the Board's Auditors on the financial statements for the year ended July 31, 1951 is contained in Part III of this Report.

In this Report and in the financial statements which follow, we have endeavoured to describe the administration of policy with respect to wheat, oats and barley for the year ended July 31, 1951.

In conclusion we would like to record our appreciation of the loyal and conscientious service rendered by the staff of the Board.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

Winnipeg, Manitoba
February 29, 1952.

Refund Account—Exhibit VII

On behalf of the Government of Canada and under the authority of Order-in-Council P.C. 3376 of July 28, 1948 and Order-in-Council P.C. 4287 of September 29, 1948, the Board administered the payment of refund to flour millers and processors for the period from August 1, 1948 to March 22, 1949, on which latter date refund payments were discontinued in accordance with the provisions of Order-in-Council P.C. 1458 of March 29, 1949. The results of operations on this account for the fiscal year under review are set forth in Exhibit VII. Order-in-Council P.C. 3376 of July 28, 1948 also provided that the Government of Canada would reimburse the Board for the amount of all refunds paid by the Board, the interest thereon, and for the expenses incurred by the Board in the administration of the refund regulations.

Drawback Account—Exhibit VIII

Drawback regulations administered by the Board on behalf of the Government of Canada and in accordance with the provisions of the various Orders-in-Council incident to drawback administration were revoked effective September 13, 1947 under the terms of Order-in-Council P.C. 4145 of October 17, 1947. A summary of the operations on the drawback account for the year ended July 31, 1951 is set forth in Exhibit VIII. As at the date of this Report there are some transactions on this account still to be completed.

Schedule of Administrative and General Expenses—Exhibit XI

The total expenditures under this heading for the year under review amounted to \$2,427,566.10 comprising expenses incurred at the Winnipeg, Calgary, Vancouver and London (England) offices of the Board. Details of these expenditures and the allocations to Board operations and to operations conducted by the Board on behalf of the Government of Canada are set forth in Exhibit XI.

THE CANADIAN WHEAT BOARD
INDEX TO FINANCIAL STATEMENTS
31st July 1951

- Exhibit I. Consolidated Balance Sheet.*
- Exhibit II. Statement of Operations, 1950-51 Pool Account — Wheat.*
- Exhibit III. Statement of Operations, 1950-51 Pool Account — Oats.*
- Exhibit IV. Statement of Operations, 1950-51 Pool Account — Barley.*
- Exhibit V. Statement of Amount due to the Government of Canada, together with Funds received during the year.*
- Exhibit VI. Statement of Operations, Oats and Barley Account — P.C. 1292.*
- Exhibit VII. Statement of Refund Account for the year ended 31st July 1951.*
- Exhibit VIII. Statement of Drawback Account for the year ended 31st July 1951.*
- Exhibit IX. Statement of Final Payments to Producers.*
- Exhibit X. Statement of Provisions for Final Payment Expenses.*
- Exhibit XI. Schedule of Administrative and General Expenses and Allocations to Operations for the year ended 31st July 1951.*

THE CANADIAN
CONSOLIDATED
As at 31

ASSETS

Funds on deposit.....		\$ 30,451,515
Stocks of grain:		
Wheat stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur or Vancouver.....	\$341,413,300.47	
Oats stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur.....	22,923,150.09	
Barley stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur....	24,633,222.24	388,969,67
Accounts receivable.....		3,761,63
Memberships — In the Winnipeg and Vancouver Grain Ex- changes, the Winnipeg Grain and Produce Exchange Clearing Association Limited and the Lake Shippers' Clearance Asso- ciation.....		19,07
The Canadian Wheat Board Building, Winnipeg, at cost less depreciation.....		411,00
Deferred and prepaid expenses.....		19,30
Office furniture, equipment and automobiles, at cost less depreciation.....		89,42
		\$423,721,63

Approved:

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDI
Commissioner

WHEAT BOARD BALANCE SHEET January 1951

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Board.....		\$162,592,665.76
Advances received on Agency wheat stocks.....		106,866,756.87
Accounts due to Producers:		
Outstanding certificates and cheques:		
Balance of final payments — Wheat.....	\$ 9,005,742.41	
— Coarse Grains.....	146,005.69	
Balance of adjustment payments — Wheat.....	2,497,952.36	
— Coarse Grains.....	142,557.28	11,792,257.74
Other accounts:		
Emergency wheat receipts.....	13,191.35	
Balance outstanding on other operations of the Board under The Canadian Wheat Board Act.....	73,036.01	86,227.36
Provisions for final payment expenses.....		602,508.93
Due to the Government of Canada.....		398,484.04
Debit Account — balance of appropriations.....		175,344.11
Credit Account — balance of appropriations.....		142,933.46
Prepaid expenses and accounts payable.....		9,793,739.50
Reserves resulting from operations:		
0-51 Pool Account — Wheat.....	106,154,976.85	
0-51 Pool Account — Oats.....	9,793,255.56	
0-51 Pool Account — Barley.....	15,322,487.66	131,270,720.07
		<u>\$423,721,637.84</u>

This is the Consolidated Balance Sheet which is referred to in our report of this date.

Winnipeg, Manitoba,
January, 1952.

MILLAR, MACDONALD & CO.
Chartered Accountants
Auditors.

THE CANADIAN
1950-51 Pool
STATEMENT
For the crop year
(Including provision for losses)

Wheat acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:

Domestic.....

Export sales at Class II prices.....

Export sales under terms of the International Wheat Agreement.....

Weight losses in transit and in drying and reconditioning.....

Add: Additional differential charges, storage and interest, etc., recovered.....

Net proceeds from sales.....

Stocks of wheat — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur or Vancouver, as follows:

Domestic.....

Export sales at Class II prices.....

Export sales under terms of the International Wheat Agreement.....

Sale to 1951-52 Pool Account — Wheat.....

Surplus on wheat transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 20th October 1951)

Carrying charges:

Carrying charges on wheat stored in country elevators.....

Storage on wheat stored in terminal elevators.....

Interest and bank charges, etc.....

Net additional freight on wheat shipped from country stations to terminal positions.....

Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....

Drying and reconditioning charges, grade adjustments, etc.....

Administrative and general expenses to 31st July 1951.....

Add: Proportion of administrative and general expenses for the period from
1st August 1951 to 20th October 1951.....

Surplus on operations of the Board on the 1950-51 Pool Account — Wheat, for the crop year ended
31st July 1951.....

HEAT BOARD

Account - Wheat

OPERATIONS

ended 31st July 1951

(Transactions to 20th October 1951)

Bushels		Amount	
5,224,857-40		\$512,026,269.24	
498,372-15	<u>366,723,229-55</u>	<u>612,811.02</u>	\$512,639,080.26
801,623-55		\$ 44,068,931.20	
596,193-10		79,563,672.85	
423,498-20		177,098,402.96	
<u>025,395-15</u>	170,846,710-40	—	300,731,007.01
		<u>3,284,514.62</u>	
		304,015,521.63	
146,041-15		49,325,091.89	
689,868-50		59,549,571.49	
662,462-10		74,199,339.98	
<u>378,147-00</u>	195,876,519-15	158,339,297.11	341,413,300.47
	<u>366,723,229-55</u>		645,428,822.10
			<u>132,789,741.84</u>
		17,120,041.48	
		<u>5,327,912.24</u>	22,447,953.72
			1,710,381.66
		(35,972.39)	
		578,957.27	
		527,275.67	
		1,050,745.57	
		<u>355,423.49</u>	<u>1,406,169.06</u>
			26,634,764.99
			<u>\$106,154,976.85</u>

THE CANADIAN
1950-51 Pool
STATEMENT
For the crop year
(Including provision for

Oats acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....

Oats otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....

Oats sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....

Weight losses in drying and reconditioning.....

Net proceeds from sales.....

Stocks of oats—stated at the ultimate value received from the sale thereof, basis in store
Fort William/Port Arthur.....

Surplus on oats transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 6th October 1951)

Carrying charges:

Carrying charges on oats stored in country elevators.....

Storage on oats stored in terminal elevators.....

Interest and bank charges.....

Freight recovered on shipments of oats to Vancouver for export.....

Handling, stop-off and diversion charges, etc.....

Drying, reconditioning charges, grade adjustments, etc.....

Brokerage and Clearing Association charges.....

Administrative and general expenses to 31st July 1951.....

Add: Proportion of administrative and general expenses for the period from
1st August 1951 to 6th October 1951.....

Surplus on operations of the Board on 1950-51 Pool Account — Oats, for the crop year ended
31st July 1951.....

account - Oats

PERATIONS

ded 31st July 1951

Transactions to 6th October 1951)

Bushels	Amount	
422,598-13	\$70,317,079.51	
2,209-16	1,454.34	\$70,318,533.85
102,424,807-29		
73,372,071-29	60,874,396.57	
282,999-25	—	
73,655,071-20	60,874,396.57	
28,769,736-09	22,923,150.09	
102,424,807-29		83,797,546.66
		13,479,012.81
\$2,310,335.51		
722,007.44	3,032,342.95	
	4,915.07	
	(10,831.51)	
	(65.14)	
	253,811.66	
	24,866.00	
302,306.07		
78,412.15	380,718.22	3,685,757.25
		\$ 9,793,255.56

THE CANADIAN
1950-51 Pool
STATEMENT
For the Crop year
(Including provision for)

Barley acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....
Barley otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....

Barley sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying and reconditioning.....
Net proceeds from sales.....

Stocks of barley—stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur.....

Surplus on barley transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 22nd September 1951)

Carrying charges:

Carrying charges on barley stored in country elevators.....
Storage on barley stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of barley to Vancouver for export.....
Handling, stop-off and diversion charges, etc.....
Drying, reconditioning charges, grade adjustments, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1951.....

Add: Proportion of administrative and general expenses for the period from
1st August 1951 to 22nd September 1951.....

Surplus on operations of the Board on 1950-51 Pool Account — Barley, for the crop year ended
31st July 1951.....

HEAT BOARD

Account - Barley

OPERATIONS

ended 31st July 1951

(Transactions to 22nd September 1951)

Bushels	Amount	
21,106-07	\$87,327,718.34	
<u>1,656-40</u>	<u>1,564.64</u>	\$ 87,329,282.98
62,225,624-32	81,564,170.23	
<u>496,288-17</u>	<u>—</u>	
62,721,913-01	81,564,170.23	
20,800,849-46	24,633,222.24	
<u>83,522,762-47</u>		106,197,392.47
		<u>18,868,109.49</u>
\$2,124,394.13		
<u>793,342.56</u>	2,917,736.69	
	(1,777.13)	
	(125,820.77)	
	(569.60)	
	428,540.48	
	15,648.17	
261,903.99		
<u>49,960.00</u>	<u>311,863.99</u>	<u>3,545,621.83</u>
		<u>\$15,322,487.66</u>

Exhibit V

THE CANADIAN WHEAT BOARD
STATEMENT OF AMOUNT DUE TO THE GOVERNMENT
OF CANADA

As at 31st July 1951

TOGETHER WITH FUNDS RECEIVED DURING THE YEAR ENDED AS AT THAT DATE

Due to the Government of Canada:

Oats and Barley Account — P.C. 1292:

Balance of surplus resulting from operations for the period

18th March 1947 to 31st July 1951 — (Exhibit VI).....

\$ 398,484.04

Funds received from the Government of Canada:

1948 Crop Account, Flax Division:

Deficit resulting from operations for the period

1st August 1948 to 30th November 1950..... \$6,406,198.99

Deduct: Funds received 27th March 1950..... 3,881,963.67

2,524,235.32

Add: Interest thereon to 22nd March 1951..... 11,706.53

\$2,535,941.85

Delivery Quotas and Permit Regulations:

Administrative and general expenses for the year ended

31st July 1950..... 76,515.06

Add: Interest thereon to 29th November 1950..... 156.53

76,671.59

\$2,612,613.44

THE CANADIAN WHEAT BOARD
1946 Oats and Barley Account - P.C. 1292
STATEMENT OF OPERATIONS
For the year ended 31st July 1951

Surplus on 1946 Oats and Barley Account to 31st July 1950.....	\$6,729,866.13
 Add: Interest earned during the year on balance of surplus funds.....	 6,101.27
	<hr/> 6,735,967.40
 Deduct: Administrative and general expenses for the year ended 31st July 1951.....	 12,693.37
	<hr/>
 Surplus on operations of the Board on Oats and Barley Account — P.C. 1292 — for the period from inception (18th March 1947) to 31st July 1951.....	 \$6,723,274.03
	<hr/>

Note: In respect of the surplus shown above, The Canadian Wheat Board paid \$6,324,789.99 to the Government of Canada on 31st March 1948.

Exhibit VII

THE CANADIAN WHEAT BOARD
STATEMENT OF REFUND ACCOUNT - P.C. 3376 and 4287
For the year ended 31st July 1951

Balance of appropriations and net interest earned as at 31st July 1950.....		\$179,259.14
Add: Refund payments recovered from purchasers other than processors.....	\$ 1,067.60	
Interest earned on funds on hand.....	799.59	1,867.19
		<hr/>
		181,126.33
Deduct: Refund paid to millers and processors of wheat products.....	5,678.59	
Proportion of administrative and general expenses for the year ended 31st July 1951.....	103.63	5,782.22
		<hr/>
Balance of appropriations and net interest earned as at 31st July 1951.....		<u>\$175,344.11</u>

THE CANADIAN WHEAT BOARD
STATEMENT OF DRAWBACK ACCOUNT

For the year ended 31st July 1951

Balance of appropriations and net interest earned as at 31st July 1950.....		\$175,269.94
 Add: Interest earned on funds on hand.....		 999.09
		<hr/> 176,269.03
 Deduct: Drawback paid to millers and processors of wheat products.....	\$10,587.15	
 Adjustment of excess profits received from the Commodity Prices Stabilization Corporation Limited.....	22,648.42	
 Proportion of administrative and general expenses for the year ended 31st July 1951.....	100.00	33,335.57
	<hr/>	<hr/>
 Balance of appropriations and net interest earned as at 31st July 1951.....		 \$142,933.46
		<hr/> <hr/>

THE CANADIAN STATEMENT OF FINANCE To

Marketing of Producers' Grain:

Wheat:

1940 Crop Wheat Account.....	
1941 Crop Wheat Account.....	
1942 Crop Wheat Account.....	
1943 Crop Wheat Account.....	
1944 Crop Wheat Account.....	
1945-49 Pool Account.....	

Coarse Grains:

1949-50 Pool Account — Oats.....	
1949-50 Pool Account — Barley.....	

Total — Producers' Grain.....

Other operations under The Canadian Wheat Board Act:

1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	
1944 Crop Barley Equalization Fund — P.C. 5998.....	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	
1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	
1946 Crop Barley Adjustment Payment — P.C. 1292.....	
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	

Total — all Accounts.....

Note: In the period from 1st August 1951 to 31st January 1952 the Board paid \$4,884,513.31 in respect of the above liability of \$9,224,784.11.

HEAT BOARD

YMENTS TO PRODUCERS

y 1951

<u>Total Amounts Payable to Producers</u>	<u>Cheques Cashd by Producers to 31st July 1951</u>	<u>Balances Payable to Producers as at 31st July 1951</u>
26,081,800.16	\$ 25,989,114.54	\$ 92,685.62
15,305,476.69	15,263,801.11	41,675.58
19,692,770.12	19,644,198.56	48,571.56
36,725,167.12	36,520,598.96	204,568.16
66,019,001.69	65,765,006.38	253,995.31
119,075,039.68	110,710,793.50	8,364,246.18
<u>282,899,255.46</u>	<u>273,893,513.05</u>	<u>9,005,742.41</u>
15,546,322.39	15,475,424.99	70,897.40
26,643,973.33	26,568,865.04	75,108.29
<u>42,190,295.72</u>	<u>42,044,290.03</u>	<u>146,005.69</u>
<u>325,089,551.18</u>	<u>\$315,937,803.08</u>	<u>\$9,151,748.10</u>
1,570,750.97	\$ 1,566,251.63	\$ 4,499.34
8,867,004.74	8,857,136.61	9,868.13
6,106,932.94	6,100,053.57	6,879.37
3,762,008.54	3,754,044.15	7,964.39
8,672,234.59	8,634,315.19	37,919.40
5,305,206.90	5,301,944.70	3,262.20
4,687,839.30	4,685,196.12	2,643.18
<u>38,971,977.98</u>	<u>38,898,941.97</u>	<u>73,036.01</u>
<u>364,061,529.16</u>	<u>\$354,836,745.05</u>	<u>\$9,224,784.11</u>

THE CANADIAN STATEMENT OF PROVISIONS To 31st July 1950

	Original Provisions	Payment (and Other Adjustments) 31st July
Marketing of Producers' Grain:		
Wheat:		
1940 Crop Wheat Account.....	\$ 320,850.00	\$ 430,410.00
1941 Crop Wheat Account.....	178,250.00	246,250.00
1942 Crop Wheat Account.....	213,900.00	285,500.00
1943 Crop Wheat Account.....	495,000.00	319,900.00
1944 Crop Wheat Account.....	552,500.00	310,700.00
1945-49 Pool Account.....	450,052.01	—
	<u>2,210,552.01</u>	<u>1,592,960.00</u>
Coarse Grains:		
1949-50 Pool Account — Oats.....	81,867.67	—
1949-50 Pool Account — Barley.....	88,713.98	—
	<u>170,581.65</u>	<u>—</u>
Total — Producers' Grain.....	<u>\$2,381,133.66</u>	<u>\$1,592,960.00</u>
Other operations under The Canadian Wheat Board Act:		
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	\$ 73,866.70	\$ 59,300.00
Prairie Farm Assistance Act levy cancelled.....	—	—
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	100,798.49	95,400.00
1944 Crop Barley Equalization Fund — P.C. 5998.....	75,738.31	71,400.00
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	55,095.30	60,200.00
1947 Crop Oats and Barley Equalization Funds—P.C. 1891 and 5207.....	71,757.74	64,800.00
1946 Crop Barley Adjustment Payment — P.C. 1292.....	37,057.21	35,800.00
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	24,496.02	21,500.00
	<u>438,809.77</u>	<u>408,700.00</u>
Total — all Accounts.....	<u>\$2,819,943.43</u>	<u>\$2,001,660.00</u>

Note: As directed by the Government of Canada interest credits on surplus funds, 1940 to 1944 Wheat Crop Accounts amounting to \$720,590.96, were transferred to the 1945-49 Pool Account on 31st December 1950, and were included in the statement available for distribution to Producers at that date.

HEAT BOARD

R FINAL PAYMENT EXPENSES

y 1951

ent Costs Ended uly 1951	Exchange, Commissions and Other Adjustments 1950-51 Year	Balance of Original Provisions	Net Interest Credits on Surplus Funds to 31st July 1951	Balance as at 31st July 1951
983.92	\$ 5.56	(\$112,613.67)	\$ 367.37	(\$112,246.30)
643.67	29.78	(69,654.49)	220.67	(69,433.82)
777.20	35.74	(73,443.82)	264.85	(73,178.97)
840.66	139.47	168,051.96	2,301.71	170,353.67
592.32	161.53	231,023.67	2,647.08	233,670.75
017.03	144,091.80	136,943.18	21,733.05	158,676.23
854.80	144,463.88	280,306.83	27,534.73	307,841.56
494.39	19,980.52	28,392.76	1,094.37	29,487.13
136.51	34,296.38	28,281.09	1,949.66	30,230.75
630.90	54,276.90	56,673.85	3,044.03	59,717.88
485.70	\$198,740.78	\$336,980.68	\$ 30,578.76	\$367,559.44
50.40	\$.55	\$ 14,433.39	\$ 24,745.72	\$ —
462.16	11.65	4,897.14	15,707.52	54,886.63
651.86	(1,885.26)	5,566.03	84,180.13	89,077.27
874.16	3.86	(6,051.28)	40,452.76	46,018.79
123.69	(16,941.34)	9,378.48	13,940.76	3,327.20
296.01	(148.43)	22,683.30	13,940.76	36,624.06
265.35	1.50	1,010.44	898.37	1,908.81
723.63	(18,957.47)	2,705.73	401.00	3,106.73
209.33	\$179,783.31	45,244.75	189,704.74	234,949.49
	\$179,783.31	\$382,225.43	\$220,283.50	\$602,508.93

THE CANADIAN
SCHEDULE OF ADMINISTRATIVE
AND ALLOCATION
For the year ended

Administrative and general expenses:

Salaries — Board members, officers and staff.....	\$1,608,7
Unemployment insurance.....	15,1
Advisory Committee — travelling expenses and per diem allowance.....	3,0
Rental and lighting of offices, including maintenance of The Canadian Wheat Board Building, Winnipeg.....	173,9
Telephone — exchange service and long distance calls.....	26,5
Telegrams and cables.....	22,6
Postage.....	65,4
Printing and stationery.....	111,6
Office supplies and expenses.....	28,3
Travelling expenses.....	33,7
Travelling expenses — Inspectors.....	32,5
Legal fees and court costs.....	7,5
Audit fees.....	58,5
Tabulating equipment — rental and sundries.....	105,3
Repairs and upkeep of office machinery and equipment.....	3,6
Grain market publications and services.....	5,3
Bonds and insurance.....	2,5
Grain Exchange dues.....	2,8
Express, freight and cartage on stationery, etc.....	14,2
Depreciation on furniture, equipment and automobiles.....	26,2
Contribution to Pension Fund, actuarial and other expenses.....	79,5
Total administrative and general expenses for the year ended 31st July 1951.....	<u>\$2,427,5</u>

WHEAT BOARD

AND GENERAL EXPENSES

OPERATIONS

July 1951

tions to operations:

Marketing Producers' grain (including cost of distributing adjustment payments):

1950-51 Pool Account — Wheat.....	\$1,050,745.57	
1950-51 Pool Account — Oats.....	302,306.07	
1950-51 Pool Account — Barley.....	261,903.99	
1945-49 Pool Account — Wheat.....	493,977.39	
1949-50 Pool Account — Oats.....	25,697.02	
1949-50 Pool Account — Barley.....	18,031.62	\$2,152,661.66

Distributing final payments to Producers:

(a) Wheat:

1945-49 Pool Account.....	169,017.03	
1944 Crop Account.....	10,592.32	
1943 Crop Account.....	6,840.66	
1942 Crop Account.....	1,777.20	
1941 Crop Account.....	1,643.67	
1940 Crop Account.....	2,983.92	192,854.80

(b) Coarse Grains:

1949-50 Pool Account — Oats.....	33,494.39	
1949-50 Pool Account — Barley.....	26,136.51	
1949-50 Pool Account — Flaxseed.....	58.09	59,688.99

Other operations under The Canadian Wheat Board Act:

1948 Crop Account, Flax Division — P.C. 3376.....	5,000.00	
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	265.35	
1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	1,123.69	
1947 Crop Oats and Barley Adjustment Payment — P.C. 3375.....	740.02	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	874.16	
1946 Crop Barley Adjustment Payment — P.C. 1292.....	296.01	
1944 Crop Barley Equalization Fund — P.C. 5998.....	651.86	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	462.16	
1942 Crop Oats and Barley Equalization Funds — P.C. 4450 Oats and Barley Account — P.C. 1292.....	50.40 12,693.37	
Drawback Account — P.C. 1736 and 4145.....	100.00	
Refund Account — P.C. 3376 and 4287.....	103.63	22,360.65
		<u>\$2,427,566.10</u>

PART III
AUDITORS' REPORT

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS

the Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board for the crop year ended 31st July 1951, and have examined the Consolidated Balance Sheet and related statements of operations and schedules, as enumerated in the Index appearing in Part II of the Report of the Board.

The transactions for the period have been verified in such detail and to such extent as we have considered necessary in view of the system of internal accounting control maintained by the Board. In this connection we have examined vouchers and other documentary evidence in support of grain and financial transactions and have received all the information and explanations which we have required from members, officers and employees of the Board.

Funds on deposit amounting to \$30,451,515.42 have been confirmed by direct correspondence with the depositaries. Stocks of grain amounting to \$388,969,672.80 are correctly stated at the estimate value received from the sale thereof, less in store Fort William/Port Arthur or Vancouver. Satisfactory evidence has been produced for our inspection in support of accounts receivable and all other assets.

We have checked the liability to Agents of \$2,592,665.76 for grain purchased from Producers but not yet delivered to the Board, and have verified the amounts due to Producers on miscellaneous accounts and on outstanding Producers' certificates. The liability for advances received on Agency wheat stocks in the amount of \$106,866,756.87, and all other liabilities, have been verified by reference to grain records, auditors' statements and other data, and are

correctly stated to the best of our information and belief. Provisions for carrying charges, terminal storage, interest and all other charges incident to the realization of the asset "stocks of grain" subsequent to 31st July 1951, are included in the liability for accrued expenses and accounts payable.

The action which was commenced by the Board to recover certain barley which had been vested in the Board for the Crown by Order-in-Council P.C. 1292 was dismissed by the Supreme Court of Canada on 20th November 1950. At the date of this Report a further appeal is pending before the Judicial Committee of the Privy Council. The surplus from the operations of the Board on Oats and Barley Account — P.C. 1292 — should be viewed as being subject to the result of this action.

We have reviewed Part II of the Annual Report of the Board which sets forth explanatory comments relative to the financial statements for the crop year under review. In our opinion the information presented therein is accurately recorded and is in agreement with our findings in the course of audit.

We report that in our opinion the Consolidated Balance Sheet and related statements of operations and schedules as enumerated in the Index appearing in Part II of the Report of the Board, are properly drawn up so as to exhibit respectively a true and correct view of the financial position of The Canadian Wheat Board as at 31st July 1951, and of the results of its operations for the 1950-51 crop year, according to the best of our information, the explanations given to us, and as shown by the books of the Board.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

Winnipeg, Manitoba,
14th January 1952.

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Canada, Canadian Wheat Board

REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1951-1952

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REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1951-1952

Report of The Canadian Wheat Board

Crop Year 1951-1952

the RIGHT HONOURABLE C. D. HOWE,

Minister of Trade and Commerce,

OTTAWA, Canada.

We beg to submit herewith the Annual Report of The Canadian Wheat Board for the crop year ended July 31, 1952, as required by The Canadian Wheat Board Act, 1935. The Report includes final operating statements for the 1951-52 Wheat, Oats and Barley Pools.

PART I

General Comment — Crop Year 1951-52

World production of wheat continued at a high level in 1951-52. There were, however, no exceptions to the general pattern of high yields which affected the course of world trade in wheat during the crop year. In Europe, while total production was large, there was considerable variation in yields. The United Kingdom, Ireland, France, Italy and Sweden harvested smaller crops than in 1950, while in Spain, West Germany and Greece increased production occurred. Production was well maintained in Canada, particularly in Turkey, India and Japan.

Argentina suffered extreme drought and wheat production was estimated at 75 million bushels as compared with 213 million bushels in the previous year. Australian wheat production was also smaller, amounting to 161 million bushels as compared with 184 million bushels. North American wheat production was somewhat larger than the previous crop year; a slightly smaller United States wheat crop being more than offset by the increase in Canadian production.

During the crop year Canadian exports of wheat (including flour) amounted to 357 million bushels as compared with 241 million bushels in 1950-51. Exports from the United States were 365 million bushels as compared with 365 million bushels in 1950-51. Australian exports were

93 million bushels as compared with 134 million bushels in the previous year. Owing to the virtual crop failure in Argentina, wheat exports amounted to only 23 million bushels (partially offset by wheat imports from abroad during the latter part of 1952) as compared with 103 million bushels.

During the crop year there was an excellent demand for oats and barley in the United States and in Western Europe, and for barley in Japan.

2. The International Wheat Agreement

The crop year 1951-52 coincided with the third year of the International Wheat Agreement. Under this Agreement which came into effect on August 1, 1949 and extends to July 31, 1953, minimum and maximum prices for wheat are as follows:

<u>Crop year</u>	<u>Minimum</u>	<u>Maximum</u>
1949-50.....	\$1.50	\$1.80
1950-51.....	1.40	1.80
1951-52.....	1.30	1.80
1952-53.....	1.20	1.80

Minimum and maximum prices under the International Wheat Agreement are basis No. 1 Northern Wheat in store Fort William/Port Arthur expressed in Canadian currency at the

parity of the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1, 1949.

On September 20, 1949 the Government of Canada devalued the Canadian dollar, thereby discounting the Canadian dollar in relationship to its parity of the International Monetary Fund as of March 1, 1949. Accordingly, the maximum price of wheat under the International Wheat Agreement (\$1.80 per bushel in terms of gold or equivalently in terms of the United States dollar which remained at par in relationship to gold) became \$1.98 per bushel as expressed in Canadian currency for No. 1 Northern Wheat basis in store Fort William/Port Arthur.

This maximum International Wheat Agreement price in terms of Canadian currency continued until October 2, 1950 when the Canadian dollar was allowed to find its own level on exchange markets. On and after this date, maximum and minimum prices under the International Wheat Agreement expressed in Canadian currency became variable as the value of the Canadian dollar fluctuated in relation to its International Monetary Fund parity as at March 1, 1949, or in relationship to the United States dollar.

The policy of allowing the Canadian dollar to find its own level on exchange markets applied during the time the 1951-52 Pool was under administration by the Board; i.e., from August 1, 1951 to October 24, 1952, the closing date of the 1951-52 Pool. During this period the Board's selling price for wheat under the International Wheat Agreement was maintained at the maximum level prescribed by the Agreement in U.S. funds. From August 1, 1951 to October 24, 1952, the Board's International Wheat Agreement selling prices expressed in Canadian funds, followed a steadily downward trend reflecting the increase in the value of the Canadian dollar on exchange markets. In August, 1951 the daily average of the Board's International Wheat Agreement quoted prices was \$1.90 $\frac{1}{4}$ per bushel basis No. 1 Northern in store Fort William/Port Arthur. As the Canadian dollar increased in value, the Board's International Wheat Agreement quoted prices declined steadily month by month, averaging \$1.72 $\frac{3}{4}$ during September, 1952. The Board's prices increased slightly in October, 1952 reflecting a weakening of the Canadian dollar on exchange markets in that month.

Discounts for grades of wheat other than No. 1 Northern sold under the Agreement were maintained on a reasonable basis and were subject to only limited variation. The Board obtained a carrying charge of 6c per bushel on all wheat sold under the International Wheat Agreement pursuant to Article VI of the Agreement.

At the end of the crop year 1950-51 Canada's guaranteed quantity under the International Wheat Agreement was 221.6 million bushels. Commencing on August 1, 1951 and effective for the entire crop year 1951-52, Canada's guaranteed quantity was 233 million bushels. The increase resulted from Canada's assuming a larger share of the guaranteed quantity of Western Germany and the accession of Japan to the Agreement effective from August 1, 1951.

Actual registrations of Canadian sales of wheat under the International Wheat Agreement amounted to 241.6 million bushels. These registrations comprised Canada's guaranteed quantity of 233 million bushels plus 8.6 million bushels of the Australian export quantity which Canada assumed at the request of the International Wheat Council. In 1951-52 Australia, owing to a small wheat crop, was unable to fill her guaranteed quantity and requested the International Wheat Council in accordance with Article X of the Agreement to be relieved of part of her 1951 guaranteed quantity. The Australian request was approved by the International Wheat Council. Other exporting countries signatory to the Agreement were invited by the Council to take up some or all of the Australian guaranteed quantity which could not be fulfilled by that country, and signatory importing countries were also invited to reduce their guaranteed quantities in view of the Australian position. Canada accepted a transfer of 8.6 million bushels of the 1951-52 Australian guaranteed quantity. This additional quantity was used to complete two substantial sales of grade wheat for registration under the Agreement during 1951-52. Throughout the selling period of the 1951-52 Pool the Board's selling prices for low grade wheat were the same under the Agreement as on a Class II basis and therefore, on the assumption of 8.6 million bushels of the 1951-52 Australian guaranteed quantity did not affect the prices received by the Board for the low grade wheat supplied under the Agreement as a result of the transfer.

3. The Canadian Position

The Canadian grain position in 1951 centred around internal factors arising from unfavourable harvesting conditions, the grade of grain produced and, in particular, the unprecedented quantities of out-of-condition grain which were harvested and delivered by producers.

In spite of lateness and unfavourable weather, 1951 grain crops in the Prairie Provinces ranked among the larger crops produced. In the case of wheat, oats and barley, the Board had to consider its marketing operations in terms of large volume, had to pursue an aggressive selling policy and take full advantage of buoyant markets which were available.

The marketing of large crops and the successful handling of out-of-condition grain depended the first instance upon a sharp increase in transportation available for the movement of grain and the co-ordination of transportation with entry and terminal elevator operators.

For the second year in succession a large volume of low grade wheat was produced in the west, and these stocks along with the carryover of low grade wheat from the 1950 crop, made it necessary for the Board to continue its efforts in merchandising of wheat not normally considered suitable for milling.

Within the milling grades, producers' deliveries were predominantly No. 3 and No. 4 Northern, and these grades of wheat were accepted in volume in overseas markets which normally export to Canada for higher grades.

Legislation

There were no amendments to The Canadian Wheat Board Act during the 1952 Session of Parliament.

Wheat Policy

Under authority of The Canadian Wheat Board Act, 1935, as amended, the Board administered an annual pool in respect to wheat delivered to the Board between August 1, 1951 and July 31, 1952.

By Order in Council P.C. 3906, July 31, 1951 (Canadian Wheat Board Regulations) the initial price for wheat delivered to the Board between August 1, 1951 and July 31, 1952 was established at \$1.40 per bushel basis No. 1 Northern in store at Fort William/Port Arthur or Vancouver. This Order in Council required that the Board sell wheat for domestic use at the same price as it sold wheat for export under the terms of the International Wheat Agreement. Initial prices for the principal grades other than No. 1 Northern were established by the Board and approved by Order in Council P.C. 4847, September 12, 1951. Final prices for remaining grades were established as required and approved by Orders in Council.

By authority of Order in Council P.C. 499, May 25, 1952 the initial price of wheat was raised to \$1.60 per bushel basis No. 1 Northern in store at Fort William/Port Arthur or Vancouver, effective February 1, 1952, and an advance payment of 20c per bushel was authorized on all wheat delivered to the Board between August 1, 1951 and January 31, 1952.

Order in Council P.C. 4508, November 19, 1952 authorized the Board to transfer unsold stocks in the 1951-52 Pool as at October 24, 1952 to the 1952-53 Pool. Order in Council P.C. 4529, November 19, 1952 authorized the Board to distribute the surplus in the 1951-52 Pool to producers and approved the final payment for each grade of wheat delivered to the Board by producers between August 1, 1951 and July 31, 1952.

6. Crop Development and Supplies

Canadian wheat acreage declined sharply in 1951, amounting to 25,254,400 acres as compared with 27,021,200 acres in 1950. Most of the decline occurred in the Prairie Provinces. Wheat acreage in the Prairie Provinces in 1951 was 24,385,000 acres as compared with 25,836,000 acres in 1950.

The spring of 1951 was late, but moisture reserves were generally above normal throughout the Prairie Provinces. Excessive moisture delayed seeding in some areas, notably in northern and south-western Alberta. By mid-May good progress had been made with seeding in Manitoba, in scattered areas in Saskatchewan and in south-eastern and central Alberta. The seeding of wheat and, to a greater extent, the seeding of oats and barley was not completed until early June in many districts in Saskatchewan and Alberta.

The late seeding was followed by an unusually cool June which retarded crop development. Some anxiety was felt in south-eastern and south-central Manitoba and southern and central Saskatchewan because of lack of rainfall. Drought was relieved in Saskatchewan but continued in southern areas in Manitoba. By the end of June crop prospects were generally good to excellent, although rain was needed in Manitoba and parts of Saskatchewan. Commenting on crop conditions in the Prairie Provinces up to the end of September, the Dominion Bureau of Statistics stated: "After getting away to a rather uncertain start through late seeding and cold weather during June, grain crops in most sections of the Prairie Provinces made a remarkable recovery during July and August. However, early-season indications of harvesting record or near-record outturns of wheat, oats and barley were modified by one of the latest and wettest harvesting seasons on record. Repeated rains not only delayed harvesting operations and caused some loss of yield but also reduced the quality of the crop through sprouting, bleaching and related types of damage caused by wet harvesting weather. While killing frosts were almost a month later than last year, many ab-

normally late fields, particularly in Alberta, had not matured sufficiently to escape damage. In general, however, frost damage to grain is expected to be considerably lower than in 1950.

Rains were initially responsible for delaying harvesting in the first part of September, and operations had just been resumed when snow covered most of the Prairies during the last week in the month. By the end of September, when harvesting operations are normally nearing completion in Western Canada, this year's harvest was considerably less than half completed. In Manitoba, the greatest progress had been made in the south-eastern part of the province where 80% to nearly all the wheat had been threshed. In the northern part of the province, where crops ripened later and rains were heavier, most of the cereal crops had been cut but very little threshing had been completed. In Saskatchewan, it was estimated that less than 25% of spring-sown grains and about half the fall rye had been threshed by the end of September. Progress was even slower in Alberta, where it was estimated that less than 10% of the wheat and oats and about 15% of the barley had been threshed by the end of September."

Unfortunate harvesting conditions continued throughout the remaining fall months. A temporary improvement occurred early in October and considerable progress was made with harvesting, much of the grain being threshed tough and damp. However, about mid-October, heavy snowfalls added to the harvesting problems of western farmers. For the balance of the fall, weather conditions were never such as to permit normal harvesting operations, but even as late as December, substantial quantities of grain were threshed, mostly in a tough and damp condition.

The Dominion Bureau of Statistics estimated that 28% of the Prairie wheat crop as well as substantial quantities of other grains remained unthreshed as at December 31st. Fortunately, unusually dry warm weather prevailed in the early part of the spring of 1952, and producers were able to complete their threshing operations promptly. Grain threshed in the spring was generally dry.

The 1951 wheat crop in the Prairie Provinces was estimated at 529 million bushels as compared with 427 million bushels harvested in 1950. The lateness of the crop combined with harvesting conditions, late season frosts and weathering, substantially lowered the grades of wheat delivered to the 1951-52 Pool.

For Canada as a whole, wheat production in 1951 amounted to 553 million bushels as compared with 462 million bushels in 1950.

The following table shows wheat production in the Prairie Provinces and for Canada in 1951 along with comparative statistics for 1950:

	1951	1950
	(million bushels)	
Manitoba.....	52.0	50.0
Saskatchewan.....	325.0	260.0
Alberta.....	152.0	117.0
Prairie Provinces.....	529.0	427.0
Other Provinces.....	24.0	35.0
Canada.....	553.0	462.0

Supplies of wheat from the 1951 crop were supplemented by the commercial carryover (which in country elevators, terminal elevators, mills in-transit, etc.) on July 31, 1951 amounting to 357.0 million bushels.

7. Exports

The following table shows exports of wheat including flour, for the crop year 1951-52:*

	Million Bushels
August, 1951.....	21.7
September.....	22.3
October.....	31.4
November.....	39.6
December.....	20.4
January, 1952.....	19.4
February.....	22.8
March.....	22.4
April.....	25.3
May.....	43.7
June.....	44.3
July.....	43.7
TOTAL.....	357.0

*Source: Board of Grain Commissioners for Canada. Statistics subject to revision.

As shown by the above table, exports of wheat including flour, amounted to 357.0 million bushels in 1951-52 as compared with 241.0 million bushels in the previous crop year. The late crop and the necessity for conditioning large quantities of wheat prior to sale was reflected in the monthly export statistics. Exports were particularly heavy in the final three months of the crop year, May, June and July averaging 43.9 million bushels per month.

The following table shows 1951-52 exports of wheat and flour, by countries of destination:

EXPORTS OF WHEAT AND WHEAT FLOUR*

CROP YEAR 1951-52

Continental Areas and Countries

<u>Area</u>	<u>Country</u>	<u>Wheat</u>	<u>Flour</u> <u>(Wheat Equivalent)</u> <u>(bushels)</u>	<u>Total</u>
EUROPE:				
	United Kingdom.....	108,834,765	18,857,736	127,692,501
	Germany.....	15,772,915	157,081	15,929,996
	Belgium.....	15,451,754	49,955	15,501,709
	Italy.....	10,961,011	2,572,300	13,533,311
	Netherlands.....	11,930,438	—	11,930,438
	Ireland.....	8,408,862	—	8,408,862
	Switzerland.....	7,677,909	—	7,677,909
	France.....	6,761,510	5,278	6,766,788
	Norway.....	4,704,553	—	4,704,553
	Yugo-Slavia.....	4,562,204	28,917	4,591,121
	Sweden.....	1,962,771	—	1,962,771
	Spain.....	1,406,862	—	1,406,862
	Malta.....	1,209,701	—	1,209,701
	Austria.....	1,076,365	—	1,076,365
	Denmark.....	837,600	1,147	838,747
	Greece.....	695,242	66,951	762,193
	Finland.....	671,134	—	671,134
	Portugal.....	606,733	27,833	634,566
	Gibraltar.....	—	219,235	219,235
	Iceland.....	—	121,639	121,639
	TOTALS.....	203,532,329	22,108,072	225,640,401
ASIA:				
	India.....	18,141,164	90	18,141,254
	Japan.....	16,480,628	446,314	16,926,942
	Philippine Islands.....	—	4,897,062	4,897,062
	Syria (inc. Lebanon).....	2,398,180	2,036,601	4,434,781
	Israel.....	1,979,180	938,290	2,917,470
	Hong Kong.....	—	1,269,927	1,269,927
	Indonesia.....	—	830,993	830,993
	Ceylon.....	—	830,443	830,443
	Siam.....	—	183,519	183,519
	British Malaya.....	—	153,990	153,990
	Arabia.....	—	139,420	139,420
	Other Countries.....	—	196,294	196,294
	TOTALS.....	38,999,152	11,922,943	50,922,095

(This table concluded on page 6)

Area	Country	Wheat	Flour (Wheat Equivalent) (bushels)	Total
CENTRAL AMERICA AND THE CARIBBEAN AREA:				
	Cuba.....	1,288,638	2,141,532	3,430,170
	Trinidad-Tobago	—	2,359,535	2,359,535
	Jamaica.....	—	1,606,591	1,606,591
	Leeward-Windward Islands.....	—	993,767	993,767
	Costa Rica.....	41,867	481,460	523,327
	Haiti.....	—	488,007	488,007
	Barbados.....	792	414,122	414,914
	Guatemala.....	—	306,405	306,405
	El Salvador.....	—	276,381	276,381
	Dominican Republic.....	3,800	255,397	259,197
	Bahamas.....	—	229,428	229,428
	Panama.....	—	205,416	205,416
	Netherlands W. Indies.....	—	194,765	194,765
	Nicaragua.....	—	178,764	178,764
	Bermuda.....	—	120,397	120,397
	Other Countries.....	5,507	99,180	104,687
	TOTALS.....	1,340,604	10,351,147	11,691,751
SOUTH AMERICA:				
	Brazil.....	3,824,012	—	3,824,012
	Peru.....	3,552,440	—	3,552,440
	Venezuela.....	13,170	3,127,878	3,141,048
	Chile.....	2,946,387	—	2,946,387
	Bolivia.....	1,970,827	2,295	1,973,122
	British Guiana.....	—	889,498	889,498
	Colombia.....	233,322	248,513	481,835
	Ecuador.....	55,115	260,518	315,633
	Surinam.....	—	100,868	100,868
	TOTALS.....	12,595,273	4,629,570	17,224,843
AFRICA:				
	Union of South Africa.....	6,104,937	—	6,104,937
	French Africa.....	2,589,410	11,911	2,601,321
	Egypt.....	424,015	1,492,767	1,916,782
	Tripoli.....	445,180	160,695	605,875
	Morocco.....	—	438,466	438,466
	Belgian Congo.....	—	384,088	384,088
	Portuguese Africa.....	—	168,345	168,345
	Gold Coast.....	—	114,416	114,416
	Nigeria.....	—	105,246	105,246
	Other Countries.....	—	136,510	136,510
	TOTALS.....	9,563,542	3,012,444	12,575,986
UNITED STATES:				
	Consumption.....	31,355,268	285,089	31,640,357
	Milling in Bond.....	7,327,562	—	7,327,562
	TOTALS.....	38,682,830	285,089	38,967,919
GRAND TOTALS				
		304,713,730	52,309,265	357,022,995

*Source: Board of Grain Commissioners for Canada. Includes exports of Ontario Winter Wheat. Figures subject to revision.

Western Europe was the principal market for Canadian wheat, being the destination of 67% of Canadian wheat exports and 42% of wheat exported as flour. Exports to the United Kingdom, the largest individual market for both wheat and flour, were 127.7 million bushels, consisting of 88.8 million bushels and 18.9 million bushels of wheat as flour. Exports to Germany amounted to 15.9 million bushels and to Belgium, 15.5 million bushels. Italy provided a market for 15.5 million bushels, including 2.5 million bushels of wheat in the form of flour. Exports to France amounted to 6.7 million bushels; exports to Norway and Yugoslavia were 4.7 and 4.6 million bushels respectively. Wheat and flour in smaller volume were exported to other countries in Western Europe.

Exports to Asiatic countries were large in 1951-52. India was the third largest and Japan the fourth largest buyer of Canadian wheat during the crop year, exports to India amounting to 16.1 million bushels and to Japan, 16.9 million bushels, the latter including 446,314 bushels in the form of flour. Exports to Syria and Lebanon consisted of 2.4 million bushels of wheat and 2.0 million bushels in the form of flour, while exports to Israel amounted to 2.9 million bushels, of which 8,290 bushels were in the form of flour. The Philippine Islands constituted a very important market, taking 4.9 million bushels of wheat and flour. Hong Kong, Indonesia and Ceylon were substantial importers of flour during the crop year. Lesser amounts of flour were exported to Malaya, British Malaya, Arabia and other Asiatic countries.

Exports to Central American and the Caribbean area consisted mainly of flour and amounted to 11.7 million bushels. Exports to Cuba were 1.3 million bushels, including 1.3 million bushels of wheat. The British West Indies continued to provide a substantial market for Canadian flour, principal exports being to Trinidad-Tobago, Guayaquil, Leeward-Windward Islands and Barbados. Substantial flour exports were made to Costa Rica, Haiti and Guatemala and smaller quantities went to El Salvador, Dominican Republic, Panama, Netherlands West Indies and Surinam.

Exports to South American countries amounted to 17.2 million bushels, consisting of 12.6 million bushels of wheat and 4.6 million bushels of flour in the form of flour. Brazil, Peru, Chile and Bolivia were chief importers of Canadian wheat, while Venezuela and British Guiana were chief flour importing countries in South America.

Africa provided a substantial market for both wheat and flour. Canadian exports to the Union of South Africa amounted to 6.1 million bushels,

all in the form of wheat. Exports to French Africa amounted to 2.6 million bushels, principally wheat. Exports to Egypt were 1.9 million bushels, principally in the form of flour. Tripoli purchased .6 million bushels of wheat, including flour, and Morocco, Belgian Congo, Gold Coast and Nigeria received flour from Canada during the crop year.

The United States was the second largest market for Canadian wheat in 1951-52. Exports to the United States were 39.0 million bushels, of which 7.3 million bushels were for milling in bond. Most of the wheat exports to the United States for consumption consisted of low grade wheat for feeding purposes.

WHEAT EXPORTS BY PORTS*

Wheat exports through Eastern Canadian ports amounted to 151.3 million bushels, including Ontario Winter Wheat. Pacific Coast clearances were 103.2 million bushels and 7.5 million bushels were shipped through Churchill. A total of 42.6 million bushels were shipped to United States destinations, of which 3.9 million bushels were re-exported through United States Atlantic ports.

8. Transportation

In 1951-52 the railways and the Canadian lake fleet, under the direction of the Transport Controller, carried out a large scale grain shipping programme which was well co-ordinated and geared to the requirements of the 1951 crop.

The part which transportation played in the Board's grain operation in 1951-52 can be described by the results achieved in certain key movements. These are as follows:

	1951-52 (million bushels)	1950-51 (million bushels)
Shipments from country stations.....	672	480
Receipts—Pacific Coast Ports.....	124	63
Receipts—Fort William/Port Arthur	453	318
Shipments from Fort William/Port Arthur (Lake and all-rail)	471	283

The movement of 672 million bushels out of country elevators constituted an all-time record and resulted in producers delivering 718 million bushels of grain during 1951-52. This was the largest volume of grain ever delivered by western producers in a single crop year.

The large movement to the Pacific Coast and the movement into and out of the Lakehead made possible a record level of Canadian exports in 1951-52. During the crop year total exports of wheat, oats, barley, rye and flaxseed amounted to 508 million bushels.

*Source: Board of Grain Commissioners for Canada. Figures subject to revision.

With a carryover of 101 million bushels of grain in country elevators on August 1, 1951 the railways were able to ship substantial quantities of grain out of country elevators in the early part of the fall in spite of the lateness of the 1951 crop and the delayed harvesting. With this early start, the railways worked persistently and continuously in the movement of grain.

During the crop year the railways carried out a number of unusual shipping programmes. In the handling of tough and damp grain it was necessary for the railways not only to maintain the volume of their shipments from country elevators during the fall and winter months, but also to move out-of-condition grain in a continuous flow to terminal elevators where drying equipment was available. In the case of the shipment of grain to Pacific Coast ports, the railways, in accordance with Board instructions, reached deeply into Saskatchewan for loads, thereby greatly increasing the mileage involved in moving grain to the Pacific Coast. The railways carried out a special movement of damp grain to Duluth, Minnesota and Superior, Wisconsin for drying.

The effort of the railways in the movement of grain was paralleled by sharply increased grain movement on the Great Lakes. During 1951-52 shipments of grain by vessel from Fort William/Port Arthur amounted to 421 million bushels as compared with 235 million bushels in the previous crop year.

9. Delivery Quotas

On July 26, 1951 the Board announced that delivery quotas for all grains and flaxseed would be left open after July 31, 1951 until initial quotas for 1951-52 were established.

On August 9, 1951 initial delivery quotas applicable to Manitoba were established. The initial quotas were 6 bushels per seeded acre on wheat, oats, barley and rye. It was announced at the same time that there would be no delivery quotas on flaxseed for 1951-52.

The same initial delivery quotas became effective in Saskatchewan and Alberta on August 13, 1951. These initial delivery quotas were announced just prior to the time deliveries of new crop grain were expected in each of the three Prairie Provinces. However, wet weather intervened and new crop deliveries were very small during August and September.

To widen delivery opportunity for wheat, the Board provided that when the wheat quota at a delivery point became 11 bushels or higher per seeded acre, such a delivery point automatically became an alternative delivery point for all producers; the wheat delivery quota at the alternative delivery point applying.

With very large export commitments for the fall and winter months, the Board was increasingly concerned about the delay in harvesting and the very small deliveries of grain, and particularly wheat, during the month of September. The position became critical in early October, when time producers had only marketed 1 million bushels of wheat. At this time a considerable quantity of high grade wheat had been threshed but was being held on farms under prevailing delivery quotas, and only suspension of delivery quotas could augment available supplies of wheat of milling grades as long as harvesting was held up. Therefore, to prevent a breakdown in its established export programmes, the Board on October 3, 1951 suspended delivery quotas on high grade wheat throughout the Prairie Provinces. This suspension on delivery quotas on high grade wheat remained in effect until October 23rd in Manitoba and Saskatchewan, and owing to the lack of threshing in Alberta was continued for the balance of the crop year in that province, except where local elevator agents recommended the reinstatement of delivery quotas. During the period of the general suspension, that is, from October 3rd to October 23rd, producers delivered over 85 million bushels of wheat, and these deliveries were largely of milling grades. It was these additional deliveries of milling grades of wheat during the crucial period of October which enabled the Board to meet its export commitments during the winter months and to have reasonable stocks of wheat in export positions during the winter months. The suspension of delivery quotas, of course, caused many inequalities in delivery opportunity in the West and could only be justified as an emergency action.

During the suspension of quotas on high grade wheat, and following the reinstatement of the quotas in Manitoba and Saskatchewan, the Board continued to increase quotas on all grains as space became available at local delivery points. On November 1st the alternative delivery point provision was extended to oats, barley and rye. On November 6th the Board suspended remaining delivery quotas in a large area in central and southern Alberta where very little threshing had been completed. On November 16th an open quota was established for high grade Durum Wheat. On December 3rd the Board provided that in areas where threshing was incomplete the Board would consider the suspension of delivery quotas if such action were recommended by local elevator agents. By the first week in January the delivery quotas had been suspended at about 1,250 delivery points, ranging from 6 to 20 bushels per seeded acre. Remaining delivery points in the Prairie Provinces. During the balance of the crop year the Board was guided by elevator agents in removing remaining delivery quotas. At a limited number

delivery points, quotas were reinstated following spring threshing.

The delayed harvesting of the 1951 crop made normal administration of delivery quotas impossible. The Board had to adjust its delivery quota policy to meet circumstances as they arose, and particularly to facilitate the delivery of grain which the Board urgently required to meet sales commitments at home and abroad.

Handling Agreement

As a result of negotiations with handling companies, the terms of the 1950-51 Handling Agreement were continued in the 1951-52 Agreement. Handling margins were $4\frac{1}{2}$ c per bushel wheat and barley and $3\frac{1}{2}$ c per bushel on oats, and the storage rate was $1/35$ of a cent per bushel day.

1951-52 Pool Account—Wheat

BOARD RECEIPTS

The following table shows Board receipts of wheat from producers, by months, for the period from August 1, 1951 to July 31, 1952:

	Bushels
September, 1951.....	23,913,748-35
October.....	99,793,968-20
November.....	44,153,469-50
December.....	27,355,990-00
January, 1952.....	41,971,462-30
February.....	22,945,407-40
March.....	22,723,133-15
April.....	17,326,103-00
May.....	61,558,011-30
June.....	39,255,677-40
July.....	53,000,961-30
TOTAL.....	453,997,933-50

Receipts from producers amounted to 453,997,933-50 bushels during the crop year 1951-52 as compared with 366,224,857-40 bushels in 1950-51. Deliveries to the Board were relatively small in September but were very large in October amounting to 99.8 million bushels. Producers' marketings in the winter months were heavier than usual as out-of-condition grain was delivered at country elevators as elevator space was made available. Following spring threshing, producers' deliveries increased sharply in May, June and July. In these three months deliveries to the Board amounted to 153.8 million bushels, 33.9% of total Board receipts for the entire crop year.

Board receipts from others than producers amounted to 1,797,252-05 bushels.

GRADE PATTERN OF BOARD RECEIPTS

The following table shows Board receipts, by principal grades, in 1951-52:

Grade*	Total Bushels	% of Total
No. 1 Northern.....	2,055,980-25	.5
No. 2 Northern.....	35,376,645-55	7.8
No. 3 Northern.....	159,399,320-35	35.1
No. 4 Northern.....	119,329,483-15	26.3
No. 1 to 4 Durum.....	9,121,805-30	2.0
No. 1 to 3 Garnet.....	2,709,525-40	.6
No. 5 Wheat.....	77,429,359-05	17.0
No. 6 Wheat.....	31,186,683-15	6.9
Feed Wheat.....	6,754,034-45	1.5
Other Grades.....	10,635,095-25	2.3
Total.....	453,997,933-50	100.0

As shown by the above table, No. 3 Northern and No. 4 Northern were the principal grades received by the Board in 1951-52. Receipts of these two grades constituted 61.4% of total Board receipts for the crop year. Receipts of No. 1 Northern and No. 2 Northern amounted to 37.4 million bushels, or 8.3% of total Board receipts. Under the circumstances the great bulk of domestic and export demand for milling grades of wheat had to be met out of supplies of No. 3 Northern and No. 4 Northern.

For the second crop year in succession a large volume of low grade wheat was delivered to the Board. In 1951-52 Board receipts of No. 5, No. 6 and Feed Wheat amounted to 115.4 million bushels, or 25.4% of total Board receipts.

In addition to the unusual grade pattern described above, Board receipts from producers of tough and damp wheat amounted to 181.5 million bushels, or 40% of total Board receipts. Receipts of tough wheat were 118.2 million bushels and damp wheat 63.3 million bushels.

Board receipts contained an unusual number of grades, a total of 454 different grades being delivered to the Board by producers.

The unusual diversity in grades and the unprecedented volume and widespread distribution of tough and damp receipts substantially reduced effective storage capacity in country elevators and at the Lakehead.

TOTAL WHEAT STOCKS—1951-52 POOL

In addition to 1951-52 Board receipts of 455,795,185-55 bushels, 95,378,147-00 bushels were transferred from the 1950-51 Pool to the 1951-52 Pool as at October 20, 1951.†

*Including toughs and damp.

†For details of transfer see Pages 8 and 9 of the Annual Report of The Canadian Wheat Board for 1950-51.

SALES POLICY—WHEAT

In 1951-52 the Board continued the general sales policy which had been in effect in 1950-51. Some of the characteristics of Board operations in 1950-51 were also present in 1951-52. In both crop years producers delivered large quantities of low grade wheat, in both crop years producers delivered large amounts of tough and damp grain, although this problem was much more severe in 1951-52. In both years the grades of milling wheat delivered by producers were well below normal.

Having in mind the substantial carryover of wheat which the Board would have on hand on July 31, 1951, and prospects for the 1951 crop, the Board took advantage of an early demand for wheat and made large export commitments prior to the start of the crop year. By early fall the Board's major export programmes were fairly well established for the balance of the crop year. As the crop year progressed the Board sold further quantities of wheat as additional supplies of export wheat became available and as transportation and port facilities permitted.

In keeping with its supply position, the Board kept a flow of low grade wheat moving for export. Sales of low grade wheat were increased when it became known that the 1951 crop contained an additional large amount of No. 5, No. 6 and Feed Wheat. The Board continued to sell low grade wheat at prices reasonably related to the prices at which the Board was selling milling grades of wheat.

The problem of out-of-condition grain affected and was related to the Board's selling policy throughout 1951-52. As shown in Section 11 of this report, producers delivered 181.5 million bushels of tough and damp wheat. These supplies of out-of-condition wheat plus large deliveries of out-of-condition oats and barley, constituted one of the most difficult factors in Board administration in 1951-52. From results of surveys carried out by the Board in the fall of 1951, it was apparent that the volume of out-of-condition grain harvested and to be delivered by producers was far beyond available drying capacity. Under the circumstances, the only solution to the out-of-condition grain problem in 1951-52 was to merchandise in Canada and abroad, a sufficient quantity of tough grain to bring the problem to manageable proportions. This policy was pursued with vigor in the late fall, during the winter months and well into the spring period. As a result of this sales effort, producers were able to deliver practically all of their tough and damp grain prior to warm weather setting in and the quantity of grain which had to be dried was reduced to the point where it could be handled by available driers prior to the end of the crop year. Producers delivered 253 million bushels

of tough and damp wheat, oats and barley to 1951-52 Pools. Of this quantity, 108.1 million bushels were dried in western facilities and Sarnia, Walkerville and Toronto. In order to reduce the load on drying facilities at intermediate terminals and at the Lakehead, the Board arranged for the shipment of moderate quantities of damp wheat to Duluth, Minnesota and Superior, Wisconsin, and to Buffalo, N.Y. A total of 10 million bushels were dried at these points.

The Board wishes to acknowledge the operation of the Board of Grain Commissioners for Canada, the Transport Controller, the railway and grain handling companies in dealing with unprecedented volume of out-of-condition grain which had to be handled in 1951-52.

BOARD SALES OF WHEAT

From August 1, 1951 to October 24, 1952, sales from the 1951-52 Wheat Pool were as follows:

	Bushel
Domestic Sales.....	70,074,771
Export Sales at Class II Prices.....	125,583,260
Export Sales under terms of the International Wheat Agreement.....	248,331,794
Weight losses in transit and in drying and reconditioning.....	3,975,000
Total Sales.....	447,964,825

As shown by the above table, domestic sales were 70,074,771-24. Sales under the International Wheat Agreement amounted to 248,331,794-4.

Class II sales were 125,583,260-35 bushels. Class II sales consisted of 88,828,229-20 bushels of low grade wheat and 36,755,031-15 bushels of milling grades of wheat. Throughout the sales period of the 1951-52 Pool, the Board's Class II prices for low grade wheat were the same as International Wheat Agreement sales prices.

TRANSFER OF UNSOLD STOCKS

Under provisions of Section 24(a) of the Canadian Wheat Board Act, the 1951-52 Pool was closed on October 24, 1952. All unsold wheat in the 1951-52 Pool was transferred to the 1952-53 Pool on the foregoing date. The transfer was authorized by Order in Council P.C. 4000 November 19, 1952.

*Includes some sales registered under the Agreement 1952-53. (Actual sales registered under the Agreement 1951-52 amounted to 241.6 million bushels.)

The following table shows the principal grades of wheat transferred to the 1952-53 Pool as at October 24, 1952:

Grade*	Bushels
No. 1 Northern.....	5,006,886-20
No. 2 Northern.....	9,006,229-39
No. 3 Northern.....	13,008,493-41
No. 4 Northern.....	9,675,357-43
No. 5 Wheat.....	34,487,523-55
No. 6 Wheat.....	23,519,845-50
Feed Wheat.....	4,182,764-40
Other Grades.....	4,321,307-28
TOTAL.....	<u>103,208,409-16</u>

In transferring unsold stocks of wheat in the 1951-52 Pool to the 1952-53 Pool, the Board's I.W.A.—Domestic prices for October 24, 1952 applied, subject to:

- (a) A deduction of 3 cents per bushel as an allowance for subsequent carrying charges;
- (b) An adjustment for Class II contracts which had been priced and scheduled for shipment up to and including Nov. 30, 1952.

*Including Toughs and Damps.

1951-52 Pool Account—Wheat

The following table shows the operating results of the 1951-52 Pool Account from August 1, 1951 to the closing date of the Pool on October 24, 1952:

	Bushels	
1. Wheat acquired by the Board:		
(a) Producers' deliveries, August 1, 1951 to July 31, 1952.....	453,997,933-50	
(b) Purchased from the 1950-51 Pool Account—Wheat.....	95,378,147-00	
(c) Wheat otherwise acquired ①.....	1,797,252-05	
Total wheat acquired.....	<u>551,173,332-55</u>	
	(Value)	(Value)
2. Cost of wheat acquired.....		\$809,273,574.07
3. Proceeds of sales—August 1, 1951 to October 24, 1952.....	\$770,790,621.49	
Sales value of stocks transferred to 1952-53 Pool Account as at October 24, 1952 ②.....	167,196,571.92	937,987,193.41
		<u>128,713,619.34</u>
4. Add: Net amount recovered for storage, interest, differential charges, etc.....		18,580,757.78
		<u>147,294,377.12</u>
5. Gross surplus as at October 24, 1952.....		
6. Operating costs—August 1, 1951 to October 24, 1952:		
(a) Carrying charges, including terminal storage.....	21,256,397.15	
(b) Interest and bank charges.....	2,909,825.67	
(c) Additional freight (net).....	2,619,319.66	
(d) Handling, stop-off and diversion charges.....	580,802.14	
(e) Drying, reconditioning, grade adjustments, etc.....	2,408,567.21	
(f) Administrative and general expenses.....	1,572,934.66	31,347,846.49
		<u>31,347,846.49</u>
7. Surplus in the 1951-52 Pool Account as at October 24, 1952.....		<u>\$115,946,530.63</u>

①Net bushels acquired from the adjustment of overages and shortages, etc. at country and terminal elevators at Board initial prices, basis in store Fort William/Port Arthur or Vancouver.

②For details of transfer see Pages 10 and 11.

Surplus for Distribution to Producers

The surplus in the 1951-52 Pool Account for distribution to producers was as follows:

Surplus as at October 24, 1952.....		\$115,946,530.63
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$1,157,425.38	
Cost of issuing Final Payment.....	262,601.16	1,420,026.54
		<hr/> 114,526,504.09
<i>Add:</i> Estimated additional interest accruing from October 24th to date of distribution.....		58,608.59
		<hr/> \$114,585,112.68
Surplus for distribution to Producers.....		

The distribution of surplus funds in the 1951-52 Pool was authorized by Order in Council P.C. 45, dated November 19, 1952. On producers' deliveries of 453,997,933-50 bushels, the final payment averaged 25.23913 cents per bushel.

Realized Prices

The following table shows the prices realized by producers for principal grades of wheat delivered to the 1951-52 Pool, after deducting Board carrying charges, drying and reconditioning costs and Board administrative costs:

	Initial Payment	Adjustment Payment	Final Payment	Realized Price
	(Prices and payments exclusive of Prairie Farm Assistance Act levy (dollars per bushel))			
No. 1 Northern.....	1.40	.20	.23569	1.83569
No. 2 Northern.....	1.37	.20	.24579	1.81579
No. 3 Northern.....	1.34	.20	.25589	1.79589
No. 4 Northern.....	1.26	.20	.27609	1.73609
No. 5 Wheat.....	1.16	.20	.24547	1.60547
No. 6 Wheat.....	1.06	.20	.26567	1.52567
Feed Wheat.....	1.00	.20	.29597	1.49597
No. 1 Amber Durum.....	1.40	.20	.23569	1.83569
No. 2 Amber Durum.....	1.37	.20	.24579	1.81579
No. 3 Amber Durum.....	1.30	.20	.30134	1.80134

Initial payments for grades other than No. 1 Northern established for the crop year 1951-52, included many increases as compared with initial payments in effect in 1950-51. Of the principal grades of wheat, initial prices for No. 3 Northern, No. 4 Northern and No. 5 Wheat were increased by 4c per bushel in 1951-52 as compared with 1950-51, and the initial price for No. 3 Amber Durum was increased by 5c per bushel and No. 4 Amber Durum by 4c per bushel. Increased initial prices also applied in the case of Garnets, Alberta Winters, Soft White Springs, and a large number of lower grades and off-grades.

As a result of the narrowing of these grade spreads in 1951-52 producers received \$16,083,358.48 more in initial payments than if 1950-51 grade spreads had been continued. These higher initial payments for many grades of wheat should be considered in connection with the final surplus in the 1951-52 Pool.

Increased initial prices for No. 3 Northern, No. 4 Northern and No. 5 Wheat were particularly significant because 78.4% of Board receipts consisted of these three grades.

Comments on the 1951-52 Pool—Wheat

1. OPERATING COSTS

From August 1, 1951 to October 24, 1952, the Board's operating costs were \$31,347,846, of which \$18,580,757.78 was recovered. The recoveries included the six-cent per bushel carrying charge added to the Board's International Wheat Agreement and domestic selling price throughout the duration of the Pool.

2. CARRYING CHARGES

Carrying charges (including country and minimal storage) amounted to \$21,256,397.15.

3. INTEREST AND BANK CHARGES

Interest and bank charges paid by the Board amounted to \$2,909,825.67.

4. ADDITIONAL FREIGHT

This cost item, amounting to \$2,619,319.66, was important in the 1951-52 Pool. The principal items were additional freight paid on the movement of Saskatchewan wheat to the Pacific Coast for export, the special movement of damp wheat from Saskatchewan and Alberta to Duluth, Minnesota and Superior, Wisconsin for drying, and the shipment of low grade wheat from Alberta to Port William/Port Arthur including wheat for drying. This item included a credit of \$106,605.01, being the freight saving on wheat shipped to Churchill.

5. HANDLING, STOP-OFF AND DIVERSION CHARGES

In shipping wheat to interior and other terminals for storage, drying and conditioning, the Board incurred handling, stop-off and diversion charges of \$580,802.14.

6. DRYING, RECONDITIONING AND GRADE ADJUSTMENTS, ETC.

Drying costs, reconditioning costs and grade adjustments reflected the large volume of out-of-condition wheat delivered to the Board in 1951-52. These costs amounted to \$2,408,567.21 net.

7. ADMINISTRATIVE AND GENERAL EXPENSES

Administrative and general expenses amounted to \$1,572,934.66, or .345 cent per bushel on handlings of 455,795,185-55 bushels.

Board Selling Prices—1951-52 Pool

The following table shows Board quotations for wheat, by months, from August 1, 1951 to October 4, 1952 (Basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver):

	①International Wheat Agreement and Domestic Price (cents per bushel)			②Class II Price (cents per bushel)		
	High	Low	Average	High	Low	Average
August, 1951.....	190 $\frac{3}{4}$	189 $\frac{1}{4}$	190 $\frac{1}{8}$	236 $\frac{3}{4}$	235 $\frac{1}{4}$	236 $\frac{1}{8}$
September.....	190 $\frac{1}{4}$	189 $\frac{5}{8}$	190	240 $\frac{1}{4}$	239 $\frac{1}{8}$	240
October.....	189 $\frac{7}{8}$	188 $\frac{1}{8}$	189 $\frac{1}{4}$	240 $\frac{5}{8}$	239 $\frac{1}{8}$	239 $\frac{3}{4}$
November.....	188 $\frac{1}{2}$	186 $\frac{3}{8}$	187 $\frac{7}{8}$	244 $\frac{3}{8}$	240	242 $\frac{7}{8}$
December.....	187	183 $\frac{1}{4}$	184 $\frac{5}{8}$	245 $\frac{1}{2}$	243 $\frac{1}{8}$	244
January, 1952.....	181 $\frac{3}{4}$	180 $\frac{1}{8}$	180 $\frac{7}{8}$	242 $\frac{3}{4}$	241 $\frac{1}{8}$	241 $\frac{7}{8}$
February.....	181	180	180 $\frac{1}{4}$	242	237	240
March.....	180	177 $\frac{3}{4}$	179 $\frac{3}{8}$	237	227 $\frac{3}{4}$	230 $\frac{3}{4}$
April.....	177 $\frac{1}{4}$	176 $\frac{3}{8}$	176 $\frac{5}{8}$	227 $\frac{1}{4}$	226 $\frac{3}{8}$	226 $\frac{5}{8}$
May.....	177 $\frac{5}{8}$	176 $\frac{1}{2}$	177 $\frac{1}{8}$	227 $\frac{5}{8}$	226 $\frac{1}{2}$	227 $\frac{1}{8}$
June.....	177 $\frac{1}{4}$	175 $\frac{1}{4}$	176 $\frac{1}{4}$	227 $\frac{1}{8}$	206 $\frac{1}{4}$	217 $\frac{1}{8}$
July.....	175 $\frac{7}{8}$	173 $\frac{1}{8}$	174 $\frac{1}{2}$	215 $\frac{3}{8}$	207	211 $\frac{1}{4}$
August.....	173 $\frac{7}{8}$	172 $\frac{3}{4}$	173	218 $\frac{3}{4}$	214	216 $\frac{1}{2}$
September.....	172 $\frac{7}{8}$	172 $\frac{5}{8}$	172 $\frac{3}{4}$	220 $\frac{7}{8}$	214 $\frac{3}{4}$	218 $\frac{1}{2}$
October 1-24.....	174 $\frac{3}{4}$	172 $\frac{7}{8}$	173 $\frac{1}{2}$	222 $\frac{3}{4}$	218 $\frac{3}{4}$	221

①Not including the six-cent per bushel carrying charge which was added to the Board's International Wheat Agreement and Domestic selling prices during the pool period from August 1, 1951 to October 24, 1952.

②The Board's International Wheat Agreement and Class II selling prices for wheat grading No. 5 and lower were on the same basis from August 1, 1951 to October 24, 1952.

From August 1, 1951 to October 24, 1952 the Board sold wheat under the International Wheat Agreement, basis the maximum price provided for in the Agreement. This price also applied to domestic sales.

As in the preceding crop year, fluctuations in the Board's quoted prices for No. 1 Northern Wheat for sale under the International Wheat Agreement were due entirely to the varying value of the Canadian dollar on exchange markets. (See Pages 1 and 2 of this Report).

The Board's quotations for No. 1 Northern Wheat for sale under the International Wheat Agreement ranged from a high of \$1.90¾ per bushel in August, 1951 to a low of \$1.72½ per bushel in September, 1952, the decline covering the greater part of the selling period of the 1951-52

Pool and reflecting rising quotations for the Canadian dollar.

Board quotations for Class II Wheat increased steadily during the August-December period 1952; the increase being from a low of \$2.35¼ per bushel in August, 1951 to a high of \$2.45½ in December, 1951 (basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver). The Board's Class II prices for No. 1 Northern Wheat declined steadily in the January-July period, reaching a low of \$2.06¼ in June. Class II prices increased sharply in August, September and October, 1952.

Throughout the Pool period the Board maintained its Class II price for low grade wheat at the same level as its selling prices for these grades under the International Wheat Agreement.

Average Realized Prices

The following table shows the average price, basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, realized by the Board for 1951-52 Pool Wheat:

	Bushels	Sales Basis
		Basis No. 1 Nor. Whe In Store Ft. Wm./Pt. Ar and Vancouver (\$ per bushel)
International Wheat Agreement Sales.....	248,331,794-45	1.8011903 ①
Domestic Sales.....	70,074,771-24	1.8020668 ①
Class II Sales:		
High Grade Wheat.....	36,755,031-15	2.3191958
Low Grade Wheat.....	88,828,229-20	1.8730024
Sales to 1952-53 Pool:		
High Grade Wheat.....	48,519,403-46	1.8049792 ②
Low Grade Wheat.....	54,689,005-30	1.7375000 ②
Weight losses in transit, drying and reconditioning.....	3,975,096-55	
	<u>551,173,332-55</u>	

12. Oats and Barley

CROPS AND SUPPLIES

The area seeded to oats in the Prairie Provinces in 1951 was 8,312,000 acres as compared with 7,446,000 acres in 1950. Oats production in the Prairie Provinces was 340 million bushels as compared with 254 million bushels in 1950. Barley acreage in 1951 amounted to 7,530,000 acres as compared with 6,205,000 acres in 1950. Barley acreage in the Prairie Provinces increased by about 2 million acres between 1949 and 1951. The

acreage in the latter year was close to the record acreage of 7,896,000 acres seeded in 1943. Barley production was estimated at 234 million bushels as compared with 157 million bushels in 1950.

Commercial supplies of oats and barley on July 31, 1951 were substantially higher than on the corresponding date in the previous year. Commercial carryovers of oats and barley on July 31, 1951 amounted to 35 million bushels each grain. The corresponding figures for July 31, 1950 were: oats, 11.0 million bushels, and barley, 8.9 million bushels.

①Exclusive of six cents per bushel carrying charge.

②Exclusive of six cents per bushel carrying charge and deduction of three cents per bushel as allowance for carrying charges after transfer.

LEGISLATION

Under Order in Council P.C. 3906, July 31, 1951 (Canadian Wheat Board Regulations) Parts I and IV of The Canadian Wheat Board Act were extended to oats and barley for the crop year ending July 31, 1952.

By the same Order in Council the initial price of oats was established at 65c per bushel basis No. 2 Canada Western Oats in store Fort William/Port Arthur and the initial price of barley was established at 96c per bushel basis No. 3 C.W. Six-Row Barley in store Fort William/Port Arthur.

Order in Council P.C. 1308, March 7, 1952 authorized the Board to increase the initial price of barley from 96c per bushel to \$1.16 per bushel basis No. 3 C.W. Six-Row Barley in store Fort William/Port Arthur, effective March 1, 1952, and authorized the Board to make an adjustment of 20c per bushel on all barley delivered to the Board between August 1, 1951 and February 29, 1952.

The initial price of oats was not increased during 1951-52.

Order in Council P.C. 4304, October 15, 1952 authorized the transfer of unsold stocks of oats in the 1951-52 Pool as at September 26, 1952 to the 1952-53 Pool. The distribution of the final surplus of the 1951-52 Oats Pool was approved by Order in Council P.C. 3059, October 15, 1952.

The transfer of unsold stocks of barley in the 1951-52 Pool to the 1952-53 Pool was authorized by Order in Council P.C. 4331, October 23, 1952. The distribution of the final surplus in the 1951-52 Barley Pool was authorized by Order in Council P.C. 4384, October 30, 1952.

1951-52 Oats Pool

Board Receipts

The following table shows Board receipts of oats, by months, from August 1, 1951 to July 31, 1952:

	Bushels
September, 1951.....	6,651,875-32
October.....	11,418,683-02
November.....	11,623,886-18
December.....	10,366,998-07
January, 1952.....	11,140,026-16
February.....	6,174,794-22
March.....	7,127,009-12
April.....	8,350,867-16
May.....	18,872,643-04
June.....	14,845,759-00
July.....	26,564,941-22
TOTAL.....	133,137,485-15

Board receipts of oats in 1951-52 amounted to 133.1 million bushels as compared with 102.4 million bushels in 1950-51. The delivery of oats by producers followed an unusual pattern, Board

receipts in the first half of the crop year amounting to 39% of total receipts for the crop year. May, June and July were the heaviest delivery months of the crop year, Board receipts in this period being 60.3 million bushels, or 45.3% of deliveries for the crop year.

Board receipts of tough and damp oats were 33.0 million bushels and 16.0 million bushels respectively.

Sales—1951-52 Oats Pool

The 1951-52 Oats Pool was closed on September 26, 1952. On that date the position of the Pool was as follows:

	Bushels
Board Receipts.....	133,137,485-15
Transferred from the 1950-51 Pool.....	3,057,447-33
TOTAL RECEIPTS.....	136,194,933-14
Completed Sales, August 1, 1951 to September 26, 1952.....	118,798,329-21 ①
Uncompleted Sales as at September 26, 1952.....	17,396,603-27 ②

Transfer to the 1952-53 Pool

Stocks of oats, and related sales of futures contracts, were transferred to the 1952-53 Pool as at September 26, 1952. The principal grades of oats transferred were:

	Bushels
No. 2 Canada Western.....	38,251-08
No. 3 Canada Western.....	33,707-08
No. 1 Feed.....	12,623,471-16
No. 2 Feed.....	2,430,999-13
No. 3 Feed.....	632,410-04
Other Grades.....	1,637,764-12
TOTAL.....	17,396,603-27

The foregoing transfer was made under provisions of Section 24 (a) of the Act, and was authorized by Order in Council P.C. 4304, October 15, 1952.

Price Basis of Transfer

Since futures contracts covering unsold cash oats had been sold prior to September 26th, the actual transfer involved pricing the various grades of oats in relation to the closing price of the October and December futures on September 26th, which were 83c per bushel and 80¾c per bushel respectively.

An allowance of 1½c per bushel was made on all grades of oats transferred for carrying charges subsequent to the transfer date.

① Includes 728,235-15 bushels weight losses in drying and reconditioning.

② Covered by sales of futures contracts.

1951-52 Pool Account—Oats

The following table shows the operating results of the 1951-52 Oats Pool from August 1, 1951 to the closing date of the Pool on September 26, 1952:

	Bushels	
1. Oats acquired by the Board:		
(a) Producers' deliveries, August 1, 1951 to July 31, 1952.....	133,135,187-19	
(b) Oats otherwise acquired ①.....	2,297-30	
(c) Purchased from 1950-51 Pool Account—Oats.....	3,057,447-33	
Total oats acquired.....	<u>136,194,933-14</u>	
	(Value)	(Value)
2. Cost of oats acquired.....		\$ 78,522,632
3. Proceeds of sales—August 1, 1951 to September 26, 1952.....	\$94,244,828.60	
Transferred to 1952-53 Pool as at September 26, 1952 ②.....	<u>13,190,335.98</u>	<u>107,435,164</u>
4. Gross surplus as at September 26, 1952.....		28,912,532
5. Operating costs—August 1, 1951 to September 26, 1952:		
(a) Carrying charges including terminal storage.....	3,015,923.52	
(b) Interest and bank charges..... (	34,151.83)	
(c) Freight recovery on export oats..... (	58,897.62)	
(d) Handling, stop-off and diversion charges.....	1,917.04	
(e) Drying, reconditioning, grade adjustments, etc.....	581,576.94	
(f) Brokerage and Clearing Association charges.....	30,126.14	
(g) Administrative and general expenses.....	<u>302,466.34</u>	<u>3,838,960</u>
6. Surplus in the 1951-52 Oats Pool Account as at September 26, 1952.....		<u>\$ 25,073,571</u>

① Purchases from non-producers at the Board's initial prices basis in store Fort William/Port Arthur.

② For details of transfer see Page 15.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1951-52 Oats Pool for distribution to producers was:

Surplus as at September 26, 1952.....		\$25,073,571.94
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$249,962.21	
Cost of issuing Final Payment.....	86,315.60	336,277.81
		24,737,294.13
<i>Add:</i> Additional interest earned after September 26, 1952.....		8,964.66
Surplus for distribution to producers.....		\$24,746,258.79

The distribution of surplus funds in the 1951-52 Oats Pool was authorized by Order in Council P.C. 4305, dated October 15, 1952. On producers' deliveries of 133,135,187-19 bushels, the average final payment was 18.587c per bushel.

The following table shows initial payments, final payments, and prices (basis in store Fort

William/Port Arthur) realized by producers for the principal grades of oats delivered to the Board in 1951-52 after deducting Board operating costs, including carrying charges in country and terminal elevators, drying and reconditioning costs and Board administrative expenses:

	<u>Initial Payment</u>	<u>Final Payment</u>	<u>Realized Price</u>
(Prices and Payments exclusive of Prairie Farm Assistance Act levy)			
	(cents per bushel)		
No. 2 C.W.....	65	18.802	83.802
No. 3 C.W.....	62	18.922	80.922
Extra No. 1 Feed.....	62	18.561	80.561
No. 1 Feed.....	60	17.763	77.763
No. 2 Feed.....	53	22.122	75.122
No. 3 Feed.....	48	24.113	72.113
Tough No. 2 C.W.....	61	18.802	79.802
Tough No. 3 C.W.....	58	18.922	76.922
Tough Extra No. 1 Feed.....	58	18.561	76.561
Tough No. 1 Feed.....	56	17.763	73.763
Tough No. 2 Feed.....	49	22.122	71.122
Damp No. 1 Feed.....	52	17.763	69.763
Damp No. 2 Feed.....	45	22.122	67.122

GENERAL COMMENT ON THE MARKETING OF OATS—1951-52

1. Sales

Board selling of oats in 1951-52 was influenced by the slow rate of producers' deliveries, by the volume of oats which could be moved to terminal positions as the crop year progressed, by the quantities of damp oats which could be dried, and

by the extremely large deliveries of oats by producers in the final three months of the crop year. May, June and July were the largest delivery months of the crop year, Board receipts from producers amounting to 60.3 million bushels, or 45.3% of Board receipts for the entire crop year. The following table shows producers' deliveries to the Board, net sales by months, and stocks of oats held by the Board at the end of each month:

	Deliveries to the Board	Net Sales of 1951 Crop by the Board (bushels)	Balance of 1951 Crop held by the Board at end of month
August, 1951.....	—	2,014,000-00	(2,014,000-00)
September.....	6,651,875-32	9,825,496-15	(5,187,620-17)
October.....	11,419,131-01 ②	14,260,240-26 ②	(8,028,730-08)
November.....	11,623,886-18	9,070,981-20	(5,475,825-10)
December.....	10,366,998-07	6,542,615-05	(1,651,442-08)
January, 1952.....	14,197,026-16	12,276,405-00	269,179-08
February.....	6,174,794-22	4,721,970-19	1,722,003-11
March.....	7,127,009-12	733,166-15	8,115,846-08
April.....	8,375,166-07	4,753,303-08	11,737,709-07
May.....	18,848,344-13	12,740,268-03	17,845,785-17
June.....	14,845,759-00	16,371,104-13	16,320,440-04
July.....	26,564,941-22	24,841,073-14	18,044,308-12
August.....	—	18,044,308-12 ③	—
	<u>136,194,933-14</u>	<u>136,194,933-14</u>	

In August 1951, Board sales were mainly applied to the 1950-51 Pool. Sales in September and October were substantially in excess of producers' deliveries. In November and December, Board sales were related to progress in harvesting, the condition of oats arriving in terminal positions, and the volume of saleable oats which the Board expected to have in store Fort William/Port Arthur prior to the close of navigation. In January 1952 Board sales were relatively heavy and by the end of the first half of the crop year practically all oats deliveries by producers to the 1951-52 Pool had been sold. Board sales in February, March and April were limited by availability of storage space at the Lakehead and the necessity of completing substantial drying operations.

As previously indicated, producers' marketings in the final three months of the crop year were exceptionally large. In spite of these heavy deliveries of oats, the Board's selling operations were completed by the end of August. These sales included sales of October and December futures contracts and as at September 26th, the Board

had on hand 17,396,603-27 bushels of cash oats which had not been finally priced although covered by sales of futures contracts. These stocks along with the relevant sales of futures contracts were transferred to the 1952-53 Pool as at September 26, 1952.

In disposing of oats in the 1951-52 Pool, the Board sold 117.7 million bushels in the futures market and 17.7 million bushels were sold flat.

In 1951-52 oats exports were at record levels and amounted to 69.6 million bushels. The principal export market for western oats was the United States, exports to that country amounting to 58.6 million bushels. Belgium and the Netherlands were the other principal export markets for oats; these countries taking 8.3 and 1.8 million bushels respectively. Export demand continued at a high level in August and September, 1952. Oats exports in these two months amounted to 10.9 million bushels, the United States continuing to be the principal market.

①Includes weight losses in drying and reconditioning amounting to 728,235-15 bushels.

②Includes purchase of 3,057,447-33 bushels from the 1950-51 Pool Account—Oats and relevant sales of futures.

③Includes adjustments required to close the 1951-52 Pool Account—Oats as at September 26, 1952.

The Board's monthly average quoted prices for No. 3 C.W. Oats and No. 1 Feed Oats were as follows:

	No. 3 C.W. Oats	No. 1 Feed Oats
	(cents per bushel)	
August, 1951	80 ³ / ₄	78 ³ / ₈
September	85 ⁷ / ₈	82
October	94 ¹ / ₄	88
November	107 ⁷ / ₈	103 ³ / ₈
December	98 ¹ / ₈	94 ⁵ / ₈
January, 1952	93	91 ¹ / ₂
February	90 ¹ / ₄	88 ³ / ₈
March	94 ¹ / ₈	91
April	87 ³ / ₈	84 ¹ / ₂
May	76 ¹ / ₈	74 ¹ / ₂
June	76 ⁵ / ₈	74 ¹ / ₂
July	78 ¹ / ₄	75 ³ / ₄
August	82 ¹ / ₄	79 ⁵ / ₈
September 1-26	81 ⁷ / ₈	78 ³ / ₄

Prices for oats advanced sharply during the fall months, followed by a decline in December and January. Prices advanced in March but declined again in April and May; then advanced moderately in June, July and August.

C. Board Operating Costs—1951-52 Oats Pool

Net Board operating costs applicable to the 1951-52 Oats Pool were \$3,838,960.53. The principal item in these costs was carrying charges in country and terminal elevators which amounted to \$3,015,923.52. Drying, reconditioning and grade adjustments resulted in costs of \$581,576.94, reflecting the volume of out-of-condition oats delivered to the Board.

Administrative and general expenses were \$302,466.34, or .2272 cent per bushel. Brokerage and Clearing Association charges were \$30,126.14. Handling, stop-off and diversion charges amounted to \$1,917.04. Interest and bank charges resulted in a net surplus of \$34,151.83, while freight recoveries on export oats were \$58,897.62.

D. 1951-52 Barley Pool

Board Receipts

The following table shows Board receipts of barley by months from August 1, 1951 to July 31, 1952:

	Bushels
September, 1951	9,646,922-04
October	17,676,175-42
November	12,824,903-14
December	10,657,234-27
January, 1952	10,567,982-33
February	6,116,306-09
March	6,382,631-01
April	6,982,168-37
May	15,655,760-40
June	12,246,373-29
July	21,883,936-41
TOTAL	130,640,395-37

Board receipts of barley from producers in 1951-52 amounted to 130.6 million bushels as

compared with 83.5 million bushels in 1950-51. The foregoing table shows the effects of the delayed harvest; less than half of producers' deliveries being made in the first half of the crop year. Producers' deliveries of barley were relatively heavy in May, June and July, amounting to 50 million bushels in these three months. Board receipts in July, 1952 were the largest of the crop year, amounting to 21.9 million bushels. Board receipts of tough and damp barley amounted to 48.0 million bushels. Of this quantity, 34.3 million bushels were tough and 13.7 million bushels were damp.

Sales—1951-52 Barley Pool

The 1951-52 Barley Pool was closed on October 3, 1952. As at that date, the position of the Pool was as follows:

	Bushels
Board Receipts	130,640,395-37
Transferred from the 1950-51 Pool	8,222,243-06
	138,862,638-43
Completed Sales to October 3, 1952	127,490,575-38 ①
Uncompleted Sales as at October 3, 1952	11,372,063-05 ②

Transfer to the 1952-53 Pool

Stocks of cash barley amounting to 11,372,063-05 bushels were transferred to the 1952-53 Pool as at October 3, 1952. The principal grades of barley transferred were as follows:

	Bushels
No. 3 C.W. Six-Row	204,218-39
No. 1 Feed	5,222,664-35
No. 2 Feed	4,228,435-25
No. 3 Feed	1,448,628-20
Other grades	268,115-30
TOTAL	11,372,063-05

The foregoing stocks of barley were transferred under provisions of Section 24 (a) of the Act and the transfer was authorized by Order in Council P.C. 4331, October 23, 1952.

Price Basis of Transfer

Since futures contracts covering unsold cash barley had been sold prior to October 3, 1952, the actual transfer involved pricing the various grades of barley in relation to the closing price of the October future on October 3, 1952, namely, \$1.35½ per bushel, basis in store Fort William and Port Arthur. In transferring barley stocks a deduction of 2 cents per bushel was made to cover carrying charges on the transferred barley subsequent to the date of transfer.

① Includes 734,664-18 bushels weight losses in drying and reconditioning.

② Covered by sales of futures contracts.

1951-52 Pool Account—Barley

The following table shows the operating results of the 1951-52 Barley Pool from August 1, 1951 to the closing date of the Pool on October 3, 1952:

	Bushels		
1. Barley acquired by the Board:			
(a) Producers' deliveries, August 1, 1951 to July 31, 1952.....	130,634,822-39		
(b) Barley otherwise acquired ①.....	5,572-46		
(c) Purchased from 1950-51 Pool Account—Barley.....	8,222,243-06		
Total barley acquired	<u>138,862,638-43</u>		
	(Value)	(Value)	
2. Cost of barley acquired			\$146,833,197.94
3. Proceeds of sales, August 1, 1951 to October 3, 1952.....	\$156,180,244.74		
Transferred to 1952-53 Pool as at October 3, 1952 ②	<u>14,823,905.00</u>		<u>171,004,149.74</u>
4. Gross surplus as at October 3, 1952.....			24,170,951.80
5. Operating costs—August 1, 1951 to October 3, 1952:			
(a) Carrying charges including terminal storage.....	3,742,488.96		
(b) Interest and bank charges..... (	20,425.15)		
(c) Freight recovery on export barley..... (	337,473.70)		
(d) Handling, stop-off and diversion charges.....	91,598.02		
(e) Drying, reconditioning, grade adjustments, etc.....	801,593.35		
(f) Brokerage, Clearing Association charges.....	26,037.09		
(g) Administrative and general expenses.....	362,260.42		4,666,078.94
6. Surplus in the 1951-52 Barley Pool Account as at October 3, 1952.....			<u>\$ 19,504,872.86</u>

① Purchases from non-producers at the Board's initial prices basis in store Fort William, Port Arthur.

② For details of transfer see Page 19.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1951-52 Barley Pool for distribution to producers was as follows:

Surplus as at October 3, 1952.....		\$19,504,872.81
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$194,355.30	
Cost of issuing Final Payment.....	78,000.10	272,355.40
		19,232,517.41
<i>Add:</i> Additional interest earned after October 3, 1952.....		8,656.95
Surplus for distribution to producers.....		<u>\$19,241,174.36</u>

The distribution of surplus funds in the 1951-52 Barley Pool was authorized by Order in Council P.C. 4384, dated October 30, 1952. On producers' deliveries of 130,634,822-39 bushels, the final surplus for distribution averaged 14.729c per bushel.

The following table shows initial payments, final payments, and prices (basis in store Fort William/Port Arthur) realized by producers for the principal grades of barley delivered to the Board in 1951-52 after deducting Board operating costs, including carrying charges in country and terminal elevators, drying and reconditioning costs and Board administrative expenses:

	<u>Initial Payment</u>	<u>Adjustment Payment</u>	<u>Final Payment</u>	<u>Realized Price</u>
(Prices and payments exclusive of Prairie Farm Assistance Act levy) (dollars per bushel)				
No. 3 C.W. Six-Row.....	.96	.20	.13333	1.29333
No. 4 C.W. Six-Row.....	.90	.20	.12682	1.22682
No. 1 Feed.....	.87	.20	.14158	1.21158
No. 2 Feed.....	.80	.20	.17591	1.17591
No. 3 Feed.....	.75	.20	.16153	1.11153
Tough No. 3 C.W. Six-Row.....	.92	.20	.13333	1.25333
Tough No. 4 C.W. Six-Row.....	.86	.20	.12682	1.18682
Tough No. 1 Feed.....	.83	.20	.14158	1.17158
Tough No. 2 Feed.....	.76	.20	.17591	1.13591
Tough No. 3 Feed.....	.71	.20	.16153	1.07153
Damp No. 3 C.W. Six-Row.....	.86	.20	.13333	1.19333
Damp No. 1 Feed.....	.77	.20	.14158	1.11158
Damp No. 2 Feed.....	.70	.20	.17591	1.07591
Damp No. 3 Feed.....	.65	.20	.16153	1.01153

GENERAL COMMENT ON THE MARKETING OF BARLEY—1951-52

1. Sales

The Board pressed sales of barley throughout the crop year subject only to availability of

supplies in terminal positions, including progress in drying out-of-condition barley. The following table shows Board receipts of barley and net sales, by months, and stocks of barley held by the Board at the end of each month:

	Deliveries to the Board	Net Sales ^① of 1951 Crop by the Board (bushels)	Balance of 1951 Crop held by the Board at end of month
August, 1951.....	—	4,532,500-00	(4,532,500-00)
September.....	9,647,165-10 ^②	9,110,431-00 ^②	(3,995,765-38)
October.....	17,676,175-42	13,186,903-33	493,506-19
November.....	12,824,903-14	9,107,670-05	4,210,739-28
December.....	10,657,234-27	6,284,557-00	8,583,417-07
January, 1952.....	18,789,982-33	16,502,230-25	10,871,169-15
February.....	6,116,306-09	4,050,561-29	12,936,913-43
March.....	6,382,631-01	3,029,652-16	16,289,892-28
April.....	6,982,168-37	8,120,748-06	15,151,313-11
May.....	15,655,760-40	11,710,374-11	19,096,699-40
June.....	12,246,373-29	13,411,704-07	17,931,369-14
July.....	21,883,936-41	22,042,100-06	17,773,206-01
August.....	—	17,773,206-01 ^③	—
	<u>138,862,638-43</u>	<u>138,862,638-43</u>	

Commencing in August, 1951 the Board was a steady seller of barley throughout the crop year. Board selling was at all times closely related to supplies of barley in terminal positions or supplies of barley which could be reasonably expected to arrive in terminal positions for completion of sales contracts. Until late in the crop year, unsold stocks of barley in store Fort William/Port Arthur were very small, there being a strong current demand for most grades of barley at this position. It was necessary for the Board to carry substantial quantities of out-of-condition barley at the Lakehead pending drying. Relatively large deliveries of barley late in the crop year and increased shipments of barley out of country elevators resulted in heavy Board sales during the May-August period. During the crop year, the Board sold substantial quantities of barley for shipment to the Pacific Coast for export.

During the crop year the Board sold 107 million bushels of barley in the futures market and 31 million bushels were sold flat.

There was an exceptionally large export demand for barley in 1951-52. Barley exports amounted to 69.9 million bushels. Export demand came from Western Europe, the United States and Japan. The largest European importers of Canadian barley were: Belgium 18.1 million bushels; Germany 5.8 million bushels;

Denmark 3.3 million bushels; Netherlands 2.8 million bushels; and Norway 2.4 million bushels.

Exports to Japan amounted to 15.1 million bushels, while exports to the United States were 10.2 million bushels. An additional 21.4 million bushels were exported in August and September 1952, with Japan, Belgium, Germany and the United States being the largest purchasers.

The Board's monthly average quoted prices for No. 3 C.W. Six-Row Barley and No. 1 Feed Barley were as follows:

	No. 3 C.W. Six-Row Barley	No. 1 Feed Barley
	(cents per bushel)	
August, 1951.....	120 ¹ / ₂	117
September.....	133 ¹ / ₂	123 ³ / ₈
October.....	145 ⁷ / ₈	135 ³ / ₄
November.....	148	143 ³ / ₄
December.....	140	136 ³ / ₈
January, 1952.....	142 ³ / ₄	141
February.....	136 ³ / ₈	134 ¹ / ₈
March.....	131 ¹ / ₄	128
April.....	123 ¹ / ₂	119 ⁵ / ₈
May.....	120 ¹ / ₈	114 ⁷ / ₈
June.....	124 ⁵ / ₈	117 ¹ / ₄
July.....	131	115 ¹ / ₄
August.....	148 ¹ / ₂	126 ¹ / ₄
September.....	153 ³ / ₈	131 ⁷ / ₈
October 1-3.....	154 ³ / ₈	132 ³ / ₈

①Includes weight losses in drying and reconditioning amounting to 734,664-18 bushels.

②Includes purchase of 8,222,243-06 bushels from the 1950-51 Pool Account—Barley and relevant sales of futures.

③Includes adjustments required to close the 1951-52 Pool Account—Barley as at October 3, 1952.

Barley prices advanced steadily in the first half of the crop year. The Board's daily quoted prices for No. 1 Feed Barley averaged \$1.17 per bushel in August and \$1.41 per bushel in January. Prices declined sharply in February, March, April and May, the decline in these months being about equal to the increase in the August-January period.

In the August-September period prices increased sharply. The average of the Board's quoted prices for No. 1 Feed Barley in September was \$1.31 $\frac{1}{8}$ as compared with an average of \$1.14 $\frac{1}{8}$ for the month of May.

2. Board Operating Costs—1951-52 Barley Pool

Net operating costs applicable to the 1951-52 Barley Pool were \$4,666,078.99. Carrying charges

in country and terminal elevators amounted to \$3,742,488.96. The second largest cost item consisted of drying, reconditioning, grade adjustments, etc., which amounted to \$801,593.35, reflecting the volume of out-of-condition barley delivered to the 1951-52 Pool. Board administrative and general expenses were \$362,260.42, or .2773 cent per bushel.

Brokerage and Clearing Association charges were \$26,037.09, while handling, stop-off and diversion charges amounted to \$91,598.02.

Board operating costs were offset by a net credit of \$20,425.15 in interest and bank charges. Freight recoveries on export barley amounted to \$337,473.70.

15. Payment Division

The following table shows the major payments completed during the crop year 1951-52:

<u>Account</u>	<u>Date first Cheques Mailed</u>	<u>Date Completed</u>	<u>Number of Cheques Issued</u>	<u>Total Value of Cheques Issued</u>
1950 Final Payment—Wheat.....	Nov. 22/51	Dec. 17/51	398,158	\$104,933,267.56
1951 Adjustment Payment—Wheat.....	Mar. 3/52	Mar. 28/52	285,811	47,681,245.76
1950 Final Payment—Oats.....	Oct. 29/51	Nov. 9/51	160,948	9,639,421.43
1950 Final Payment—Barley.....	Oct. 15/51	Oct. 26/51	138,033	15,112,054.03
1951 Adjustment Payment—Barley	Apr. 1/52	Apr. 9/52	112,633	13,600,641.69
			<u>1,095,583</u>	<u>\$190,966,630.47</u>

In addition, the Payment Department issued 1,552 cheques (value \$54,670.05) applicable to the 1940, 1941, 1942, 1943 and 1944 Wheat Accounts and 55,313 cheques (value \$2,874,084.65) covering adjustment payments and the final payments applicable to the 1945-49 Pool.

16. Legal Department

The Legal Department dealt with all matters of a legal nature affecting the operations of the Board.

The Department continued to assist the Payment Department in connection with payments to estates of deceased persons.

During the crop year 22 persons were prosecuted in connection with breaches of the Act and Regulations. This compares with 70 prosecutions during the 1950-51 crop year.

The Board's action in respect of 40,000 bushels of barley vested in the Board by Order in Council P.C. 1292 of April 3, 1947, was finalized by a successful appeal to the Judicial Committee of the Privy Council and judgment has now been entered in favour of the Board.

17. Staff and Officers

The following table shows the number of employees of the Board on July 31, 1951 and July 31, 1952:

	July 31 1951	July 31 1952
Head Office, Winnipeg.....	648	669
Calgary, Alta.....	33	35
Vancouver, B.C.....	17	18
London, England.....	4	4
Washington, D.C.....	—	2
	<u>702</u>	<u>728</u>

As a result of the larger volume of grain handled by the Board in 1951-52, a small increase in staff was required.

18. Advisory Committee

In 1951-52 two meetings of the Advisory Committee were held. Members of the Advisory Committee during 1951-52 were: L. Hutchinson (Chairman), Calgary, Alta.; D. I. Walker, Toronto, Ont.; J. C. A. Nijdam, Winnipeg, Man.; F. H. Clendenning, Vancouver, B.C.; J. Theo Roy, Montreal, Que.; J. H. Wesson, Regina, Sask.; R. C. Brown, Winnipeg, Man.; F. Pettypiece, Auld, Ont.; J. A. McCowan, Summerberry, Sask.; P. Farnalls, Halkirk, Alta.; C. E. Hayles, Winnipeg, Man.

With deep regret the Board records the death of Mr. C. E. Hayles, a member of the Advisory Committee for nearly five years.

Mr. J. C. A. Nijdam, a member of the Advisory Committee since February, 1949 resigned in September, 1952.

In September, 1952, Mr. R. R. Emerson and Mr. K. A. Powell were appointed to the Advisory Committee.

PART II

FINANCIAL STATEMENTS

The financial statements of The Canadian Wheat Board for the crop year ended July 31, 1952 are presented in this section of the Report and consist of a Consolidated Balance Sheet (Exhibit I) which sets forth the financial position of the Board as at the foregoing date, together with other statements showing the results of Board operations to the close of the crop year, all as tabulated in the index preceding the financial statements and as discussed in Part I of this Report.

In order to expedite the issuance of final payments to producers and under the provisions of Section 24(a) of The Canadian Wheat Board Act, the 1951-52 Pool Accounts for Wheat, Oats and Barley were closed on October 24, September 26 and October 3, 1952 respectively, and stocks of Wheat, Oats and Barley remaining in these accounts as at the foregoing dates were transferred to the respective 1952-53 Pool Accounts. The following summary shows the details of the stocks of Wheat, Oats and Barley involved in this transfer:

1951-52 Pool Accounts	Dates Accounts Closed 1952	Stocks transferred to the 1952-53 Pool Accounts	
		(Bushels)	(Value—including allowance for carrying charges)
Wheat.....	October 24	103,208,409-16	\$169,853,350.92
Oats.....	September 26	17,396,603-27	\$ 13,190,335.98
Barley.....	October 3	11,372,063-05	\$ 14,823,905.00

The 1951-52 Pool Accounts for Wheat, Oats and Barley, therefore, had been closed and final payments had been either issued to producers or were in the process of issuance at the date of this Report. Consequently after considering the proximity of the closing dates of the above accounts to the year end date of July 31, 1952 the operating statements for these accounts and the Consolidated Balance Sheet have been drawn up so as to provide for subsequent transactions from the year end date to the various closing dates as indicated above in order that the financial statements will reflect the final operating results of the

1951-52 Pool Accounts for Wheat, Oats and Barley.

CONSOLIDATED BALANCE SHEET

The consolidated financial position of The Canadian Wheat Board as at July 31, 1952 including provision for transactions subsequent thereto and relevant to the final closing of the 1951-52 Pool Accounts for Wheat, Oats and Barley, is set forth in Exhibit I. With respect to some of the items appearing on the Consolidated Balance Sheet the following comments are submitted:

Funds on Deposit—\$84,434,045.54

During the crop year under review the Board was directed to issue payments to producers involving cash distribution of \$190,966,630.47 and consisting of the following:

FINAL PAYMENTS:

1950-51 Pool Account—Wheat.....	\$104,933,267.56	
1950-51 Pool Account—Oats.....	9,639,421.43	
1950-51 Pool Account—Barley.....	15,112,054.03	\$129,684,743.02

ADJUSTMENT PAYMENTS:

1951-52 Pool Account—Wheat.....	47,681,245.76	
1951-52 Pool Account—Barley.....	13,600,641.69	61,281,887.45
		<u>\$190,966,630.47</u>

The cash position of the Board was adequate to meet requirements for adjustment payments, final payments and current Board operations except for the period from March 18, 1952 to April 30, 1952. During this brief period of borrowing, Board loans with the chartered banks reached a maximum of \$2,863,873.17. All Board loans had been repaid by the latter date.

Stocks of Grain—\$487,687,495.47

WHEAT STOCKS

As at July 31, 1952 stocks of wheat held by the Board totalled 244,255,434-10 bushels comprising stocks in store country elevators, in store terminal elevators and mills, in transit and in the custody of Agents. On October 24, 1952 the marketing operations on the 1951-52 Pool Account—Wheat were completed and the inventory at July 31, 1952 has been stated at the value which was ultimately received from the sale of the inventory during the period from August 1, 1952 to October 24, 1952 basis in store Fort William/Port Arthur or Vancouver.

Stocks in the custody of Agents represent wheat sold provisionally to Agents of the Board for which the Board had not received a final accounting in respect to the ultimate disposition of these stocks. The Board receives an advance from its Agents for wheat sold on a provisional basis and as at July 31, 1952 this advance was basis \$1.86 per bushel for No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. As at July 31, 1952 advances received by the Board from its Agents totalled \$165,558,108.93 as shown on the Consolidated Balance Sheet.

OATS AND BARLEY STOCKS

Stocks of oats and barley as at July 31, 1952 in store country and terminal elevators and in transit were 38,885,883-19 bushels and 39,496,310-28 bushels respectively. Subsequent to July 31, 1952 marketing operations were completed on the 1951-52 Pool Account—Oats on September 26, 1952, and on the 1951-52 Pool Account—Barley on October 3, 1952. The respective inventories, therefore, of oats and barley are stated on the Consolidated Balance Sheet at the values which were ultimately received from the sale of these inventories during the period from August 1, 1952 to September 26, 1952 for the oats inventory and during the period from August 1, 1952 to October 3, 1952 for the barley inventory—basis in store Fort William/Port Arthur.

Accounts Receivable—\$8,757,225.59

This item consists principally of carrying charges recoverable basis the prevailing rate of 6 cents per bushel with respect to those sales of wheat completed during the period from August 1, 1952 to October 24, 1952, and that portion of the transfer to the 1952-53 Pool Account as at October 24, 1952 to which the carrying charge is applicable.

Grain Trade Memberships—\$19,914.09

The Canadian Wheat Board owns memberships in the Winnipeg Grain Exchange, the Vancouver Grain Exchange, The Winnipeg Grain and Produce Exchange Clearing Association Limited and the Lake Shippers' Clearance Association. These memberships are stated at cost less recorded dividends received to July 31, 1952.

The Canadian Wheat Board Building, at cost less depreciation—\$403,200.00

Under the authority of Order in Council P.C. 146/2800 the Board purchased The Canadian Wheat Board Building on August 31, 1946 at a cost of \$450,000.00 for the land and buildings.

In accordance with instructions received from the Government of Canada the Board was directed to pay, and without admitting any liability for taxes levied by the City of Winnipeg, a grant of \$29,481.83 to the City of Winnipeg in lieu of property and business taxes which were applicable to The Canadian Wheat Board Building and premises rented by the Board for the calendar year 1952. Of this amount \$17,228.73 applies to Board operations for the period from January 1, 1952 to July 31, 1952. The balance of \$12,253.10 has been deferred and will be charged to the operations of the 1952-53 Crop Year. This balance is included in the item of \$24,003.12 as shown on the Consolidated Balance Sheet. Depreciation has been provided on the building for the year ended July 31, 1952 at the rate of 2% per annum, amounting to \$7,800.00. The amounts for depreciation and taxes; namely, \$7,800.00 and \$17,228.73 respectively, are included in the item of \$180,647.84 as shown on Exhibit VII.

Liability to Agents—\$235,314,756.72

Grain companies acting in the capacity of Agents of the Board accept deliveries from producers at country elevators and on behalf of the Board pay the producers basis the Board's initial price in effect. Settlement is not made by the Board for these deliveries until delivery to the Board is completed by its Agents at terminal or mill points. The liability to Agents amounting to \$235,314,756.72 represents the amount payable by the Board to its Agents for purchases from producers at country elevator points to July 31, 1952 for which delivery to and settlement by the Board will be completed subsequent to the year end date.

Amounts Due to Producers

FINAL PAYMENTS

The amounts due to producers on outstanding participation certificates and cheques with respect to final payments on the undernoted accounts are as follows:

WHEAT	Outstanding Certificates	Outstanding Cheques	Total
1940 Crop Account.....	\$ 79,936.21	\$ 6,735.80	\$ 86,672.01
1941 Crop Account.....	35,771.46	2,673.53	38,444.99
1942 Crop Account.....	41,349.72	3,097.33	44,447.05
1943 Crop Account.....	168,030.09	10,451.02	178,481.11
1944 Crop Account.....	194,021.00	15,225.14	209,246.14
1945-49 Pool Account.....	1,339,492.82	673,862.70	2,013,355.52
1950-51 Pool Account.....	—	683,169.99	683,169.99
	<u>1,858,601.30</u>	<u>1,395,215.51</u>	<u>3,253,816.81</u>
COARSE GRAINS			
1949-50 Pool Account—Oats.....		28,871.52	28,871.52
1949-50 Pool Account—Barley.....		25,824.55	25,824.55
1950-51 Pool Account—Oats.....		40,815.81	40,815.81
1950-51 Pool Account—Barley.....		39,046.89	39,046.89
		<u>134,558.77</u>	<u>134,558.77</u>
Total amount payable on final payments— wheat and coarse grains.....	<u>\$1,858,601.30</u>	<u>\$1,529,774.28</u>	<u>\$3,388,375.58</u>

During the period from August 1, 1952 to November 30, 1952 the Board paid \$1,115,531.94 in respect to the above liability of \$3,388,375.58.

ADJUSTMENT PAYMENTS

During the period of the 1945-49 Pool Account there were three adjustment payments authorized in respect to producers' deliveries on this account. Adjustment payments were also authorized on the 1950-51 Pool Accounts for Wheat, Oats and Barley. During the crop year under review the Board was directed to issue adjustment payments to producers on Wheat and Barley of the 1951-52 Pool Account. The adjustment payment on wheat applied to deliveries by producers during the period from August 1, 1951 to January 31, 1952, and the adjustment payment on barley applied to deliveries by producers for the period from August 1, 1951 to February 29, 1952. The rate of payment for all grades of wheat and barley was 20 cents per bushel. With respect to all of the foregoing adjustment payments the Board still had to disburse as at July 31, 1952 the sum of \$2,029,503.97 consisting of the following:

WHEAT	Outstanding Certificates	Outstanding Cheques	Total
Balance payable on the three adjust- ment payments authorized on the			
1945-49 Pool Account.....	\$ 950,490.05	\$ 252,937.10	\$1,203,427.15
1950-51 Pool Account.....		62,810.97	62,810.97
1951-52 Pool Account.....		587,440.34	587,440.34
	<u>950,490.05</u>	<u>903,188.41</u>	<u>1,853,678.46</u>
COARSE GRAINS			
1950-51 Pool Account—Oats.....		7,409.68	7,409.68
1950-51 Pool Account—Barley.....		10,005.84	10,005.84
1951-52 Pool Account—Barley.....		158,409.99	158,409.99
		<u>175,825.51</u>	<u>175,825.51</u>
Total amount payable on adjustment payments—wheat and coarse grains.....	<u>\$ 950,490.05</u>	<u>\$1,079,013.92</u>	<u>\$2,029,503.97</u>

In the period from August 1, 1952 to November 30, 1952 the Board paid \$586,349.21 in respect of the above liability of \$2,029,503.97.

During the 1949-50 Crop Year, Section 22(2) of The Canadian Wheat Board Act was amended by giving authority to the Board to make payments to producers without requiring producers to surrender the producer's certificates to the Board as claim for payment. Under this authority the Board completed from its own records the issuance of cheques for the final payments on:

- (a) the 1949-50 Pool Accounts for Oats and Barley;
- (b) the 1950-51 Pool Accounts for Wheat, Oats and Barley;

and for the adjustment payments on:

- (a) 1950-51 Pool Accounts for Wheat, Oats and Barley;
- (b) 1951-52 Pool Accounts for Wheat and Barley.

As a result the only remaining liability of the Board relevant to these payments is in respect to cheques which have been issued to producers, but which have not been presented to the Board for payment.

OTHER ACCOUNTS—\$59,167.50

As at July 31, 1952 there were still some cheques in the hands of producers which had been issued in payment of Emergency Wheat Receipts on both the 1945 and 1946 Crop Accounts, but which were still to be presented to the Board for payment. The details of these cheques are as follows:

1945 Crop Account (two cheques).....	\$1,159.41
1946 Crop Account (two cheques).....	6,541.32
	<u>\$7,700.73</u>

Other amounts shown as due to producers consist entirely of outstanding cheques in the hands of producers which were issued in respect to payments resulting from operations conducted by the Board under The Canadian Wheat Board Act, other than the marketing of producers' grain as shown on Exhibit V.

Accrued Expenses and Accounts Payable—\$13,646,630.60

This item comprises in the main sundry accounts unpaid as at July 31, 1952, plus provisions for accrued carrying charges, storage charges, interest and all other charges on the 1951-52 Pool Accounts for Wheat, Oats and Barley from the year end date to the various dates subsequent thereto on which the marketing operations of these three accounts were completed.

STATEMENTS OF OPERATIONS

Wheat Division

1951-52 POOL ACCOUNT

Operations on the 1951-52 Pool Account were completed as at October 24, 1952 and resulted in a surplus of \$115,946,530.63. The statement of operations to July 31, 1952 (Exhibit II) has been drawn up so as to reflect this final surplus realized from marketing operations. This has been accomplished by valuing the inventory of wheat stocks at July 31, 1952 at the ultimate value which was received from the sale thereof during the period from August 1, 1952 to October 24, 1952 and by making provisions in the accounts as at July 31, 1952 for carrying charges, storage charges, interest and all other charges incident to the completion of operations on October 24, 1952.

In terms of Order in Council P.C. 498 of January 25, 1952, the initial price to be paid to producers for No. 1 Manitoba Northern delivered to the Board during the 1951-52 Crop Year was increased from \$1.40 per bushel to \$1.60 per bushel, basis in store Fort William/Port Arthur or Vancouver. The increase in the initial price became effective in respect to deliveries by producers at country elevators on and after February 1, 1952. In terms of this Order and Order in Council P.C. 499 of January 25, 1952, the Board was directed to pay the sum of 20 cents per bushel to each producer who delivered wheat to the Board during the period from August 1, 1951 to January 31, 1952 in order to equalize the initial price to producers for the 1951-52 Crop Year to the new and higher level of \$1.60 per bushel for No. 1 Manitoba Northern wheat basis in store

Fort William/Port Arthur or Vancouver. The total amount of this adjustment payment, together with the expenses incident to its distribution have been included in the computation of the

final surplus of \$115,946,530.63. The amount available for final payment to producers on the 1951-52 Pool Account was \$114,585,112.68 computed as follows:

Surplus on operations for the period from August 1, 1951 to October 24, 1952.....		\$115,946,530.63
Add: Interest on the surplus from October 25, 1952 to December 4, 1952.....		58,608.59
		<u>116,005,139.22</u>
Deduct: Estimated costs of issuing final payments to producers.....	\$ 262,601.16	
Prairie Farm Assistance Act levy.....	1,157,425.38	1,420,026.54
		<u>1,420,026.54</u>
Amount payable to producers.....		<u><u>\$114,585,112.68</u></u>

During the period of marketing operations the average price realized on the sale of wheat for No. 1 Manitoba Northern basis in store Fort William/Port Arthur or Vancouver was \$1.86783 per bushel which resulted in a final payment to producers of 23.333 cents per bushel for this grade of wheat. The following table shows the computation of this final payment price:

Average realized selling price per bushel.....	\$ 1.86783
Less: Adjusted initial payment to producers.....	1.60
	<u>.26783</u>
Less: Cost per bushel for carrying charges, interest, administrative expenses, Prairie Farm Assistance Act levy, etc., net of amount recovered for storage, interest and differential charges, etc.....	.03450
	<u>.23333</u>
Final payment to producers.....	<u><u>23.333 cents</u></u>

Payment on grades other than No. 1 Manitoba Northern varied according to the fixed initial discount under No. 1 Manitoba Northern at which each grade of wheat was purchased from producers and the average of the discounts in relation to No. 1 Manitoba Northern at which each grade of wheat was sold.

Oats and Barley Division

Under the authority of The Canadian Wheat Board Act and Order in Council P.C. 3906 of July 31, 1951, the Board was authorized to purchase from producers during the 1951-52 Crop Year oats and barley produced in the designated area, and to pay to producers a fixed initial price of 65 cents per bushel for No. 2 Canada Western Oats and a fixed initial price of 96 cents per bushel for No. 3 Canada Western Six-Row Barley, both prices basis in store Fort William/Port Arthur. Operations on the 1951-52 Pool Account—Oats were completed on September 26, 1952 and on the 1951-52 Pool Account—Barley on October 3, 1952.

These operations resulted in surpluses of \$25,073,571.94 and \$19,504,872.81 for oats and barley respectively. The operating statements for these two accounts to July 31, 1952 have been drawn up so as to reflect the final surpluses realized to the dates on which marketing operations were completed. This has been accomplished by valuing the inventories of oats and barley at July 31, 1952 at the ultimate values which were received from the sale of these inventories subsequent to the year end date and by making provisions in the accounts as at July 31, 1952 for carrying charges, storage charges, interest and all other charges incident to the completion of operations on the dates indicated. In accordance with

the provisions of Order in Council P.C. 1223 of March 4, 1952, the initial price to be paid to producers for No. 3 Canada Western Six-Row Barley was increased from 96 cents per bushel to \$1.16 per bushel basis in store Fort William/Port Arthur. This increase in the initial price became effective in respect to deliveries by producers at country elevators on and after March 1, 1952. In terms of this Order and Order in Council P.C. 1308 of March 7, 1952, the Board was directed to pay the sum of 20 cents per bushel to each producer who delivered barley to the Board during the period from August 1, 1951 to February 29, 1952 in order to equalize the initial price to

producers for the 1951-52 Crop Year to the new and higher level of \$1.16 per bushel for No. 3 Canada Western Six-Row Barley basis in store Fort William/Port Arthur. The total amount of this adjustment payment, together with the expenses incident to its distribution have been included in determining the final surplus resulting from operations on the 1951-52 Pool Account—Barley.

The amounts available for final payment to producers on the 1951-52 Pool Accounts for oats and barley were \$24,746,258.79 and \$19,241,174.36 respectively and were computed as follows:

	Oats	Barley
Surplus on operations for the period from—		
August 1, 1951 to September 26, 1952.....	\$25,073,571.94	
August 1, 1951 to October 3, 1952.....		\$19,504,872.81
Add: Interest on the surplus for the period from—		
September 27, 1952 to October 25, 1952.....	8,964.66	
October 4, 1952 to November 8, 1952.....		8,656.95
	<u>25,082,536.60</u>	<u>19,513,529.76</u>
Deduct: Estimated cost of issuing final payment		
to producers.....	86,315.60	78,000.10
Prairie Farm Assistance Act levy.....	249,962.21	194,355.30
	<u>336,277.81</u>	<u>272,355.40</u>
Amount payable to producers.....	<u>\$24,746,258.79</u>	<u>\$19,241,174.36</u>

During the period of marketing operations the average price realized on the sale of cash oats for No. 2 Canada Western Oats basis in store Fort William/Port Arthur was 86.078 cents per bushel and the average price realized on the sale of cash barley for No. 3 Canada Western Six-Row Barley basis in store Fort William/Port Arthur was \$1.35744 per bushel. The final payment price for the foregoing grade of oats and barley was 18.614 cents per bushel and 13.200 cents per bushel respectively computed as follows:

	No. 2 Canada Western Oats	No. 3 Canada Western 6 Row Barley
Average realization per bushel from—	\$	\$
Sale of cash grain.....	.86078	1.35744
Purchase and sale of futures contracts.....	.00787	(.03014)
	<u>.86865</u>	<u>1.32730</u>
Less: Initial payment or adjusted initial payment		
to producers.....	.65	1.16
	<u>.21865</u>	<u>.16730</u>
Less: Cost per bushel for carrying charges, interest, administrative expenses, Prairie Farm Assistance Act levy, etc.....	.03251	.03530
Final payment to producers.....	<u>.18614</u>	<u>.13200</u>
	<u>18.614 cents</u>	<u>13.200 cents</u>

Payments on grades other than No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley varied according to the fixed initial discounts under No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was purchased from producers and the average of the premiums or discounts in relation to No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was sold.

Order in Council P.C. 1292 of April 3, 1947 provided that oats and barley stocks, whole or processed, in commercial channels in Canada as at March 17, 1947 be vested in the Board. A substantial amount of oats and barley delivered to the Board under the terms of this Order was delivered under protest and, as at July 31, 1948, 10,000-00 bushels of barley still had not been delivered to the Board. Action was commenced by the Board to recover possession of this barley and the documents relating thereto for the Crown pursuant to the terms of the said Order. The action was heard in March, 1948, by the Chief Justice of the Court of King's Bench in Winnipeg and in his Judgment the Board's claim to the barley was dismissed. An appeal from this judgment to the Court of Appeal of Manitoba was dismissed on March 10, 1949. A further appeal was launched with the Supreme Court of

Canada and on November 20, 1950 this appeal was also dismissed. The matter was then appealed to the Judicial Committee of the Privy Council and the appeal was allowed.

Transactions in oats and barley acquired under the terms of this Order resulted in a surplus of \$6,659,626.38 to July 31, 1952. In terms of the Order this surplus is payable to the Consolidated Revenue Fund of the Government of Canada and an amount of \$6,324,789.99 was remitted to Ottawa on March 31, 1948. Subject to interest and other adjustments beyond the close of the crop year under review the balance of the surplus amounting to \$334,836.39 will be paid to the Government of Canada as required by the Order.

Schedule of Administrative and General Expenses—Exhibit VII

The total expenditures under this heading for the year under review amounted to \$2,618,382.31 comprising expenses incurred at the Winnipeg, Calgary, Vancouver, London (England) and Washington (U.S.A.) offices of the Board. Details of these expenditures and the allocations to Board operations and to operations conducted by the Board on behalf of the Government of Canada are set forth in Exhibit VII.

The report of the Board's Auditors on the financial statements for the year ended July 31, 1952 is contained in Part III of this Report.

In this Report and in the financial statements which follow, we have endeavoured to describe the administration of policy with respect to wheat, oats and barley for the year ended July 31, 1952.

In conclusion we would like to record our appreciation of the loyal and conscientious service rendered by the staff of the Board.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

Winnipeg, Manitoba
December 15, 1952.

THE CANADIAN WHEAT BOARD
INDEX TO FINANCIAL STATEMENTS
31st July 1952

- Exhibit I. Consolidated Balance Sheet.*
- Exhibit II. Statement of Operations, 1951-52 Pool Account—Wheat.*
- Exhibit III. Statement of Operations, 1951-52 Pool Account—Oats.*
- Exhibit IV. Statement of Operations, 1951-52 Pool Account—Barley.*
- Exhibit V. Statement of Final Payments to Producers.*
- Exhibit VI. Statement of Provisions for Final Payment Expenses.*
- Exhibit VII. Schedule of Administrative and General Expenses and Allocations to Operations for the year ended 31st July 1952.*

THE CANADIAN
CONSOLIDATED
As at 31

ASSETS

Funds on deposit.....		\$ 84,434,045.54
Stocks of grain:		
Wheat stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur or Vancouver.....	\$406,621,270.08	
Oats stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur.....	30,009,165.62	
Barley stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur.....	<u>51,057,059.77</u>	487,687,495.47
Accounts receivable.....		8,757,225.55
Memberships — In the Winnipeg and Vancouver Grain Exchanges, the Winnipeg Grain and Produce Exchange Clearing Association Limited and the Lake Shippers' Clearance Association.....		19,914.00
The Canadian Wheat Board Building, Winnipeg, at cost less depreciation.....		403,200.00
Deferred and prepaid expenses.....		24,003.10
Office furniture, equipment and automobiles, at cost less depreciation.....		106,147.00
		<u>\$581,432,030.80</u>

Approved:

GEO. MCIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

WHEAT BOARD BALANCE SHEET 1952

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Board.....		\$235,314,756.72
Advances received on Agency wheat stocks.....		165,558,108.93
Accounts due to Producers:		
Outstanding certificates and cheques:		
Balance of final payments — Wheat.....	\$ 3,253,816.81	
— Coarse Grains.....	134,558.77	
Balance of adjustment payments — Wheat.....	1,853,678.46	
— Coarse Grains.....	175,825.51	5,417,879.55
Other accounts:		
Emergency wheat receipts.....	7,700.73	
Balance outstanding on other operations of the Board under The Canadian Wheat Board Act.....	51,466.77	59,167.50
Unpaid expenses and accounts payable.....		13,646,630.60
Provisions for final payment expenses.....		575,675.82
Due to the Government of Canada.....		334,836.39
Reserves resulting from operations:		
1951-52 Pool Account — Wheat.....	115,946,530.63	
1951-52 Pool Account — Oats.....	25,073,571.94	
1951-52 Pool Account — Barley.....	19,504,872.81	160,524,975.38
		<u>\$581,432,030.89</u>

This is the Consolidated Balance Sheet which is referred to in our report of this date.

Winnipeg, Manitoba.
December, 1952.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

THE CANADIAN
1951-52 POOL
STATEMENT
For the crop year
(Including provision for losses)

Wheat acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....
Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....
Purchased from 1950-51 Pool Account — Wheat.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:
Domestic.....
Export sales at Class II prices.....
Export sales under the terms of the International Wheat Agreement.....
Weight losses in transit and in drying and reconditioning.....
Add: Net amount recovered for storage, interest and differential charges, etc.....

Net proceeds from sales.....

Stocks of wheat — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur or Vancouver, as follows:

Domestic.....
Export sales at Class II prices.....
Export sales under the terms of the International Wheat Agreement.....
Sale to 1952-53 Pool Account — Wheat.....

Surplus on wheat transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 24th October 1952)

Carrying charges:

Carrying charges on wheat stored in country elevators.....
Storage on wheat stored in terminal elevators.....
Interest and bank charges, etc.....
Net additional freight on wheat shipped from country stations to terminal positions.....
Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....
Drying and reconditioning charges, grade adjustments, etc.....
Administrative and general expenses to 31st July 1952.....

Add: Proportion of administrative and general expenses for the period from
1st August 1952 to 24th October 1952.....

Surplus on operations of the Board on the 1951-52 Pool Account — Wheat, for the crop year ended
31st July 1952.....

HEAT BOARD
 count - Wheat
 OPERATIONS
 ended 31st July 1952
 transactions to 24th October 1952)

Bushels		Amount	
3,997,933-50		\$648,552,364.06	
1,797,252-05		2,381,912.90	
5,378,147-00	551,173,332-55	158,339,297.11	\$809,273,574.07
9,777,051-22		\$ 68,373,620.82	
4,945,226-13		151,886,555.83	
3,220,524-15		311,105,746.68	
3,975,096-55	306,917,898-45	—	531,365,923.33
			18,580,757.78
			549,946,681.11
0,297,720-02		50,219,909.31	
0,638,034-22		70,718,511.94	
0,111,270-30		118,486,276.91	
3,208,409-16	244,255,434-10	167,196,571.92	406,621,270.08
	551,173,332-55		956,567,951.19
			147,294,377.12
		15,336,933.66	
		5,919,463.49	21,256,397.15
			2,909,825.67
			2,619,319.66
			580,802.14
			2,408,567.21
		1,254,013.27	
		318,921.39	1,572,934.66
			31,347,846.49
			\$115,946,530.63

THE CANADIAN
1951-52 POOL
STATEMENT
For the crop year
(Including provision for losses)

Oats acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....
Oats otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....
Purchased from 1950-51 Pool Account — Oats.....

Oats sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying and reconditioning.....

Net proceeds from sales.....

Stocks of oats—stated at the ultimate value received from the sale thereof, basis in store
Fort William/Port Arthur.....

Surplus on oats transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc.:
(including provision for expenses to 26th September 1952)

Carrying charges:

Carrying charges on oats stored in country elevators.....
Storage on oats stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of oats to Vancouver for export.....
Handling, stop-off and diversion charges, etc.....
Drying, reconditioning charges, grade adjustments, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1952.....

Add: Proportion of administrative and general expenses for the period from
1st August 1952 to 26th September 1952.....

Surplus on operations of the Board on 1951-52 Pool Account — Oats, for the crop year ended
31st July 1952.....

HEAT BOARD
 Account - Oats
 OPERATIONS
 ended 31st July 1952
 Transactions to 26th September 1952)

Bushels	Amount	
133,135,187-19	\$76,071,151.83	
2,297-30	1,520.02	
3,057,447-33	2,449,960.26	\$ 78,522,632.11
<u>136,194,933-14</u>		
96,580,864-14	77,425,998.96	
728,235-15	—	
97,309,099-29	77,425,998.96	
38,885,833-19	30,009,165.62	107,435,164.58
<u>136,194,933-14</u>		
		<u>28,912,532.47</u>
\$2,478,004.91		
<u>537,918.61</u>	3,015,923.52	
	(34,151.83)	
	(58,897.62)	
	1,917.04	
	581,576.94	
	30,126.14	
257,823.53		
<u>44,642.81</u>	302,466.34	3,838,960.53
		<u>\$ 25,073,571.94</u>

THE CANADIAN
1951-52 POOL
STATEMENT OF
For the Crop year
(Including provision for losses)

Barley acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....
Barley otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....
Purchased from 1950-51 Pool Account — Barley.....

Barley sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying and reconditioning.....
Net proceeds from sales.....

Stocks of barley—stated at the ultimate value received from the sale thereof, basis in store Fort
William/Port Arthur.....

Surplus on barley transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(Including provision for expenses to 3rd October 1952)

Carrying charges:

Carrying charges on barley stored in country elevators.....
Storage on barley stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of barley to Vancouver for export.....
Handling, stop-off and diversion charges, etc.....
Drying, reconditioning charges, grade adjustments, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1952.....

Add: Proportion of administrative and general expenses for the period from
1st August 1952 to 3rd October 1952.....

Surplus on operations of the Board on 1951-52 Pool Account — Barley, for the crop year ended
31st July 1952.....

HEAT BOARD
 Account - Barley
 OPERATIONS
 ended 31st July 1952
 (Transactions to 3rd October 1952)

Bushels		Amount	
30,634,822-39		\$136,770,589.69	
5,572-46		5,756.98	
<u>8,222,243-06</u>	<u>138,862,638-43</u>	<u>10,056,851.27</u>	\$146,833,197.94
8,631,663-45		119,947,089.97	
<u>734,664-18</u>			
9,366,328-15		<u>119,947,089.97</u>	
<u>9,496,310-28</u>	<u>138,862,638-43</u>	<u>51,057,059.77</u>	171,004,149.74
			<u>24,170,951.80</u>
	\$3,209,748.86		
	<u>532,740.10</u>	3,742,488.96	
		(20,425.15)	
		(337,473.70)	
		91,598.02	
		801,593.35	
		26,037.09	
	317,018.79		
	<u>45,241.63</u>	<u>362,260.42</u>	<u>4,666,078.99</u>
			<u>\$ 19,504,872.81</u>

THE CANADIAN STATEMENT OF FINANCE To 31

Marketing of Producers' Grain:

Wheat:

1940 Crop Wheat Account.....	
1941 Crop Wheat Account.....	
1942 Crop Wheat Account.....	
1943 Crop Wheat Account.....	
1944 Crop Wheat Account.....	
1945-49 Pool Account.....	
1950-51 Pool Account.....	

Coarse Grains:

1949-50 Pool Account — Oats.....	
1949-50 Pool Account — Barley.....	
1950-51 Pool Account — Oats.....	
1950-51 Pool Account — Barley.....	

Total — Producers' Grain.....

Other operations under The Canadian Wheat Board Act:

1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	
1944 Crop Barley Equalization Fund — P.C. 5998.....	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	
1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	
1946 Crop Barley Adjustment Payment — P.C. 1292.....	
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	

Total — all Accounts.....

HEAT BOARD

PAYMENTS TO PRODUCERS

July 1952

<u>Total Amounts Payable to Producers</u>	<u>Cheques Cashd by Producers to 31st July 1952</u>	<u>Balances Payable to Producers as at 31st July 1952</u>
\$ 26,081,800.16	\$ 25,995,128.15	\$ 86,672.01
15,305,476.69	15,267,031.70	38,444.99
19,692,770.12	19,648,323.07	44,447.05
36,725,167.12	36,546,686.01	178,481.11
66,019,001.69	65,809,755.55	209,246.14
119,075,039.68	117,061,684.16	2,013,355.52
104,933,267.56	104,250,097.57	683,169.99
<u>387,832,523.02</u>	<u>384,578,706.21</u>	<u>3,253,816.81</u>
15,546,322.39	15,517,450.87	28,871.52
26,643,973.33	26,618,148.78	25,824.55
9,639,421.43	9,598,605.62	40,815.81
15,112,054.03	15,073,007.14	39,046.89
<u>66,941,771.18</u>	<u>66,807,212.41</u>	<u>134,558.77</u>
<u>\$454,774,294.20</u>	<u>\$451,385,918.62</u>	<u>\$3,388,375.58</u>
\$ 1,570,750.97	\$ 1,566,279.74	\$ 4,471.23
8,867,004.74	8,857,943.75	9,060.99
6,106,932.94	6,100,795.76	6,137.18
3,762,008.54	3,754,888.43	7,120.11
8,672,234.59	8,653,019.71	19,214.88
5,305,206.90	5,302,167.70	3,039.20
4,687,839.30	4,685,416.12	2,423.18
<u>38,971,977.98</u>	<u>38,920,511.21</u>	<u>51,466.77</u>
<u>\$493,746,272.18</u>	<u>\$490,306,429.83</u>	<u>\$3,439,842.35</u>

THE CANADIAN STATEMENT OF PROVISIONS To 31st July 1955

	Original Provisions	Payment Costs and Other Adjustments 31st July 1955
Marketing of Producers' Grain:		
Wheat:		
1940 Crop Wheat Account.....	\$ 320,850.00	\$ 433,463.6
1941 Crop Wheat Account.....	178,250.00	247,904.4
1942 Crop Wheat Account.....	213,900.00	287,343.8
1943 Crop Wheat Account.....	495,000.00	326,948.0
1944 Crop Wheat Account.....	552,500.00	321,476.3
1945-49 Pool Account.....	450,052.01	313,108.8
1950-51 Pool Account.....	225,907.74	—
	<u>2,436,459.75</u>	<u>1,930,245.1</u>
Coarse Grains:		
1949-50 Pool Account — Oats.....	81,867.67	53,474.8
1949-50 Pool Account — Barley.....	88,713.98	60,432.8
1950-51 Pool Account — Oats.....	59,846.99	—
1950-51 Pool Account — Barley.....	63,076.03	—
	<u>293,504.67</u>	<u>113,907.6</u>
Total — Producers' Grain.....	<u>\$2,729,964.42</u>	<u>\$2,044,152.5</u>
Other operations under The Canadian Wheat Board Act:		
1942 Crop Oats and Barley Equalization Funds — P.C. 4450.....	\$ 73,866.70	\$ 59,433.3
Prairie Farm Assistance Act levy cancelled.....	—	—
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898.....	100,798.49	95,901.3
1944 Crop Barley Equalization Fund — P.C. 5998.....	75,738.31	70,172.8
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	55,095.30	61,146.6
1947 Crop Oats and Barley Equalization Funds—P.C. 1891 and 5207	71,757.74	49,074.4
1946 Crop Barley Adjustment Payment — P.C. 1292.....	37,057.21	36,046.6
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	24,496.02	21,790.3
	<u>438,809.77</u>	<u>393,565.3</u>
Total — all Accounts.....	<u>\$3,168,774.19</u>	<u>\$2,437,718.8</u>

HEAT BOARD

OR FINAL PAYMENT EXPENSES

ly 1952

Payment Costs Year Ended 31st July 1952	Exchange, Commissions and Other Adjustments 1951-52 Year	Balance of Original Provisions	Net Interest Credits on Surplus Funds to 31st July 1952	Balance as at 31st July 1952
2,689.40	\$ 7.43	(\$115,310.50)	\$ 179.94	(\$115,130.56)
1,327.10	4.15	(70,985.74)	13.80	(70,971.94)
1,552.15	4.97	(75,000.94)	16.55	(74,984.39)
2,568.46	32.50	165,451.00	5,083.90	170,534.90
2,450.71	55.84	228,517.12	6,210.69	234,727.81
79,542.76	8,782.65	48,617.77	62,738.07	111,355.84
29,056.98	131,504.84	(34,654.08)	43,698.59	9,044.51
19,187.56	140,392.38	146,634.63	117,941.54	264,576.17
907.94	52.81	27,432.01	1,632.71	29,064.72
795.54	62.07	27,423.48	2,476.40	29,899.88
43,711.02	13,059.40	3,076.57	3,992.21	7,068.78
38,149.72	20,061.07	4,865.24	5,192.43	10,057.67
33,564.22	33,235.35	62,797.30	13,293.75	76,091.05
2,751.78	<u>\$173,627.73</u>	<u>\$209,431.93</u>	<u>\$131,235.29</u>	<u>\$340,667.22</u>
—	\$.31	\$ 14,433.08	\$ 25,210.98	\$ —
—	—	—	15,707.52	55,351.58
99.82	1.24	4,796.08	84,951.33	89,747.41
156.91	.89	5,408.23	40,862.95	46,271.18
243.05	.99	(6,295.32)	9,462.33	3,167.01
1,555.76	23.42	21,104.12	14,458.33	35,562.45
122.63	1.80	886.01	937.42	1,823.43
64.41	.26	2,641.06	444.48	3,085.54
2,242.58	28.91	42,973.26	192,035.34	235,008.60
4,994.36	<u>\$173,656.64</u>	<u>\$252,405.19</u>	<u>\$323,270.63</u>	<u>\$575,675.82</u>

THE CANADIAN
SCHEDULE OF ADMINISTRATIVE
AND ALLOCATION
For the year ended

Administrative and general expenses:

Salaries — Board members, officers and staff.....	\$1,720,653.4
Unemployment insurance.....	15,543.2
Advisory Committee — travelling expenses and per diem allowance.....	1,055.9
Rental and lighting of offices, including maintenance of The Canadian Wheat Board Building, Winnipeg.....	180,647.8
Telephone — exchange service and long distance calls.....	32,425.0
Telegrams and cables.....	36,607.2
Postage.....	66,901.2
Printing and stationery.....	163,213.1
Office supplies and expenses.....	30,303.4
Travelling expenses.....	28,635.6
Travelling expenses — Inspectors.....	35,526.8
Legal fees and court costs.....	69.9
Audit fees.....	61,500.0
Tabulating equipment — rental and sundries.....	112,626.8
Repairs and upkeep of office machinery and equipment.....	4,040.0
Grain market publications and services.....	5,183.7
Bonds and insurance.....	2,789.0
Grain Exchange dues.....	2,650.0
Express, freight and cartage on stationery, etc.....	14,181.3
Depreciation on furniture, equipment and automobiles.....	15,260.3
Contribution to Pension Fund, actuarial and other expenses.....	88,567.3
Total administrative and general expenses for the year ended 31st July 1952.....	<u>\$2,618,382.3</u>

HEAT BOARD

D GENERAL EXPENSES

OPERATIONS

t July 1952

locations to operations:

1. Marketing Producers' grain (including cost of distributing adjustment payments):

1951-52 Pool Account — Wheat.....	\$1,254,013.27	
1951-52 Pool Account — Oats.....	257,823.53	
1951-52 Pool Account — Barley.....	317,018.79	
1950-51 Pool Account — Wheat.....	355,423.49	
1950-51 Pool Account — Oats.....	78,412.15	
1950-51 Pool Account — Barley.....	49,960.00	\$2,312,651.23

2. Distributing final payments to Producers:

(a) Wheat:

1950-51 Pool Account.....	129,056.98	
1945-49 Pool Account.....	79,542.76	
1944 Crop Account.....	2,450.71	
1943 Crop Account.....	2,568.46	
1942 Crop Account.....	1,552.15	
1941 Crop Account.....	1,327.10	
1940 Crop Account.....	2,689.40	219,187.56

(b) Coarse Grains:

1950-51 Pool Account — Oats.....	43,711.02	
1950-51 Pool Account — Barley.....	38,149.72	
1949-50 Pool Account — Oats.....	907.94	
1949-50 Pool Account — Barley.....	795.54	83,564.22

Other operations under The Canadian Wheat Board Act:

1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	64.41	
1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	1,555.76	
1947 Crop Oats and Barley Adjustment Payment — P.C. 3375.....	477.60	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292....	243.05	
1946 Crop Barley Adjustment Payment — P.C. 1292.....	122.63	
1944 Crop Barley Equalization Fund — P.C. 5998.....	156.91	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898....	99.82	
Oats and Barley Account — P.C. 1292.....	100.00	
Drawback Account — P.C. 1736 and 4145.....	78.14	
Refund Account — P.C. 3376 and 4287.....	80.98	2,979.30
		<u>\$2,618,382.31</u>

PART III
AUDITORS' REPORT

MILLAR, MACDONALD & Co.
CHARTERED ACCOUNTANTS

The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board for the crop year ended 31st July 1952, and have examined the Consolidated Balance Sheet as at 31st July 1952 and the related statements of operations and schedules for the crop year ended on that date. We have obtained all the information and explanations which we have required from the members of the Board and its officers and employees.

Our examination was conducted in accordance with generally accepted auditing principles and included such tests of the accounting records and such other procedures as we considered necessary in view of the system of internal accounting control maintained by the Board.

Funds on deposit were confirmed by direct correspondence with the depositaries. Stocks of grain are correctly stated at the ultimate value received from the sale thereof, basis in store Fort William, Port Arthur or Vancouver, and all charges incident to the realization thereof are included in the liability for accrued expenses and accounts payable. All other assets and liabilities have been verified by reference to grain records, vouchers, creditors' statements and other documents.

We have reviewed Part II of the Annual Report of the Board, which sets forth explanatory comments relating to the financial statements. In our opinion the information presented therein is accurately recorded and is in agreement with our findings in the course of audit.

In our opinion the accompanying Consolidated Balance Sheet and related statements of operations and schedules are properly drawn up so as to exhibit a true and correct view of the financial position of The Canadian Wheat Board as at 31st July 1952, and the results of its operations for the 1951-52 crop year, according to the best of our information and the explanations given to us, and as shown by the books of the Board.

Winnipeg, Manitoba,
15th December 1952.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

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REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1952-1953

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REPORT
of
THE CANADIAN WHEAT BOARD

Crop Year 1952-1953

Report of The Canadian Wheat Board

Crop Year 1952-1953

The RIGHT HONOURABLE C. D. HOWE,
Minister of Trade and Commerce,
OTTAWA, Canada.

Sir:

We beg to submit herewith the Annual Report of The Canadian Wheat Board for the crop year ended July 31, 1953, as required by The Canadian Wheat Board Act, 1935.

PART I

1. General Comment—Crop Year 1952-53

World wheat production in 1952-53 was the largest on record. Generally higher wheat yields, together with increased acreages in some countries, brought about increased production throughout most of the wheat-producing world. Total European production was higher than in 1951. Substantial increases were recorded in France, Italy, Western Germany and Sweden, while production in the United Kingdom was maintained at the 1951 level, and a slightly smaller crop was harvested in Spain. Production in Asia was apparently maintained despite sharp declines in India and Pakistan, which were almost matched by large increases in the Near East, notably in Turkey. Total production was substantially higher in the wheat-growing areas of northwestern Africa, while somewhat smaller crops occurred in Egypt and in the Union of South Africa.

Recovering from drought conditions of the previous year, Argentina harvested a larger than average wheat crop estimated at 287 million bushels as compared with some 77 million bushels in 1951-52. Australian wheat production was estimated at 193 million bushels as compared with 160 million bushels in the previous year.

A record wheat crop was harvested in Canada and the United States produced its third largest crop; total wheat production in North America was about one-third above the level of the previous year.

Despite the increased production which took place in all the principal exporting countries and in many importing countries, Canadian exports of wheat (including flour) in 1952-53 amounted to

386 million bushels as compared with 356 million bushels in 1951-52. Exports from the United States declined to 317 million bushels from 475 million bushels in the previous year. Australian exports rose slightly to 95 million bushels from a total of 93 million bushels in 1951-52. Argentina exported some 30 million bushels as compared with 23 million bushels in 1951-52.

During the crop year Canadian exports of oats amounted to 65 million bushels as compared with 70 million bushels in the previous year. Barley exports were 119 million bushels as compared with 70 million bushels in 1951-52.

2. The International Wheat Agreement

The crop year 1952-53 coincided with the final year of the first International Wheat Agreement. Under this Agreement which came into effect on August 1, 1949 and extended to July 31, 1953, minimum and maximum prices for wheat were as follows:

<u>Crop Year</u>	<u>Minimum</u>	<u>Maximum</u>
1949-50.....	\$1.50	\$1.80
1950-51.....	1.40	1.80
1951-52.....	1.30	1.80
1952-53.....	1.20	1.80

Minimum and maximum prices under the International Wheat Agreement were basis No. 1 Northern Wheat in store Fort William/Port Arthur expressed in Canadian currency at the parity of the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1, 1949.

On September 20, 1949 the Government of Canada devalued the Canadian dollar, thereby discounting the Canadian dollar in relation to its parity of the International Monetary Fund as of March 1, 1949. Accordingly, the maximum price of wheat under the International Wheat Agreement (\$1.80 per bushel in terms of gold or equivalently in terms of the United States dollar which remained at par in relation to gold) became \$1.98 per bushel as expressed in Canadian currency for No. 1 Northern Wheat basis in store Fort William/Port Arthur.

This maximum International Wheat Agreement price in terms of Canadian currency continued until October 2, 1950 when the Canadian dollar was allowed to find its own level on exchange markets. On and after this date, maximum and minimum prices under the International Wheat Agreement expressed in Canadian currency became variable as the value of the Canadian dollar fluctuated in relation to its International Monetary Fund parity as at March 1, 1949 or in relation to the United States dollar.

Throughout the crop year 1952-53 the Board's selling prices for No. 1 Northern Wheat under the International Wheat Agreement were at the maximum level provided under the Agreement, subject to fluctuating exchange rates. In August, 1952 the Board's selling price for No. 1 Northern Wheat under the International Wheat Agreement averaged \$1.73 per bushel in Canadian funds. In September the average was \$1.72¾ per bushel. From September 1952 through to July 1953 the Board's selling prices for Agreement wheat followed an upward trend, reflecting the decline in the value of the Canadian dollar on exchange markets. In June, Board selling prices under the International Wheat Agreement averaged \$1.79 per bushel and declined slightly in July when the average Board selling price was \$1.78½ per bushel; the foregoing prices being for No. 1 Northern Wheat in store Fort William/Port Arthur and Vancouver.

Discounts for milling grades of wheat other than No. 1 Northern sold under the Agreement were constant throughout the crop year 1952-53, with the exception of the narrowing of the discount on No. 4 Northern Wheat late in the crop year. Discounts for those grades not normally considered suitable for milling were reduced from time to time. On all sales for registration under the International Wheat Agreement in 1952-53, a carrying charge of 6c per bushel was added to the Board selling prices.

Canada's guaranteed quantity under the International Wheat Agreement for the crop year 1952-53 was 235 million bushels and actual registrations of Canadian sales against this guaranteed quantity totalled 231.1 million bushels.

The first International Wheat Agreement came into effect on August 1, 1949 and expired on July 31, 1953. Under the terms of the Agreement, Canada exported the following quantities of wheat and flour:

	Wheat	Flour (Wheat Equivalent) (bushels)	Total
1949-50.....	143,430,983	42,016,285	185,447,268
1950-51.....	143,767,754	47,115,990	190,883,744
1951-52.....	193,198,795	48,387,327	241,586,122
1952-53.....	195,447,240	35,631,035	231,078,275
Total.....	675,844,772	173,150,637	848,995,409

During the latter part of 1952-53 negotiations were carried on which led to the renewing and revising of the International Wheat Agreement. The revised International Wheat Agreement is effective for the three-year period commencing on August 1, 1953 and ending on July 31, 1956. Minimum and maximum prices under the revised Agreement are \$1.55 and \$2.05^① per bushel respectively basis No. 1 Northern Wheat in store Fort William/Port Arthur expressed in Canadian currency at the parity of the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1, 1949. The United Kingdom was not a signatory country to the revised Agreement and consequently the guaranteed exports and imports under the revised Agreement were adjusted. The total guaranteed quantity under the revised Agreement is 421.2 million bushels and Canada's guaranteed quantity under the Agreement is 163.2 million bushels. ^②

3. The Canadian Position

The most important single factor in the internal grain position in Canada in 1952-53 was the harvesting of the largest grain crop in history, following the large crop of 1951. The extent of grain production in the Prairie Provinces in 1951 and 1952 is illustrated in the following table:

	Average Production 1945 to 1947	Average Production 1948 to 1950	Production (million bushels)	
			1951	1952
Wheat.....	336	375	529	664
Oats.....	238	223	340	346
Barley.....	136	136	234	281
Rye.....	8	14	16	23
Flaxseed.....	8	8	9	12
Total.....	726	756	1,128	1,326

① Inclusive of carrying charges. The maximum price of \$2.05 per bushel therefore corresponds with the maximum price under the first Agreement, plus the added carrying charge which for 1952-53 was 6c per bushel.

② As at the date of this Report, the following countries had not ratified the revised International Wheat Agreement: France, Brazil, Italy, Republic of Honduras, Sweden and Jugoslavia.

Grain production in the Prairie Provinces in 1951 and 1952 amounted to 1,128 million bushels and 1,326 million bushels respectively as compared with average production of 726 million bushels in the three-year period from 1945 to 1947 and 756 million bushels in the three-year period from 1948 to 1950.

Under the impact of such phenomenal production of grain in the Prairie Provinces, Board operations had to be in terms of a large volume of sales and the largest possible internal movement of grain. Only in this way could adequate quantities of grain be disposed of and producers be given a reasonable opportunity to deliver their farm surpluses.

4. Legislation

Two important amendments to The Canadian Wheat Board Act were passed at the 1952-53 Session of Parliament. These were:

- (1) Sections 23 and 24 were repealed and new sections were substituted in order to provide for the expiry of Parts 2 and 4 of the Act on the 1st day of August, 1957.
- (2) Section 29A was added to the Act to provide for the transfer to a special account of undistributed balances of payments due to producers which have been outstanding for more than six years. The use of such money is provided for in the section.

5. Wheat Policy

Under the authority of The Canadian Wheat Board Act, 1935, as amended, the Board administered an annual pool in respect to wheat delivered to the Board between August 1, 1952 and July 31, 1953.

By Order in Council P.C. 3381 June 23, 1952 (Canadian Wheat Board Regulations) the initial price for wheat delivered to the Board between August 1, 1952 and July 31, 1953 was established at \$1.40 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver. Initial prices for the principal grades other than No. 1 Northern were established by the Board and approved by Order in Council P.C. 3903, August 27, 1952. Initial prices for other grades were established as required and approved by Orders in Council.

Under Order in Council P.C. 3381 June 23, 1952 the Board was required to sell wheat for domestic use at the same price as it sold wheat for

export under the terms of the International Wheat Agreement. This Order in Council was amended on May 18, 1953 to provide for an interim domestic wheat policy pending the effective date of the revised International Wheat Agreement on August 1, 1953.

By authority of Orders in Council P.C. 1953-216 and 1953-217, February 19, 1953, the initial price of wheat was increased to \$1.60 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, effective March 2, 1953, and an adjustment payment of 20c per bushel was authorized on all grades of wheat, except Durums, delivered to the Board between August 1, 1952 and February 28, 1953. At the same time provision was made for an increase of 25c per bushel in the initial price for Durum grades of wheat, and an adjustment payment in the same amount was authorized on Durum grades of wheat delivered to the Board between August 1, 1952 and February 28, 1953.

6. Crop Development and Supplies

Wheat acreage in Canada in 1952 increased slightly from the previous year, amounting to 25,995,000 acres as compared with 25,254,000 acres in 1951. All of the increase occurred in the Prairie Provinces. Prairie wheat acreage in 1952 was 25,204,000 acres as compared with 24,385,000 acres in 1951.

Warm, dry weather in the spring of 1952 enabled farmers in the Prairie Provinces to obtain an early start with seeding operations. Seeding was general in most areas by April 21st, and by mid-May most of the wheat and a large proportion of coarse grains had been planted. Moisture reserves at the commencement of seeding were generally above normal following the previous wet fall, resulting in prompt germination and thick stands of grain in most sections of the Prairies. Throughout the growing season precipitation was ample to provide for normal growth requirements except in the southern parts of Manitoba and Saskatchewan, and a few areas in Alberta. Even in these areas, however, good rains were received before serious deterioration occurred, and it was evident by the end of July that a large crop was in prospect. The weather in August was ideal for ripening of grains, and by mid-August harvesting was general in Manitoba and had commenced in some parts of Saskatchewan and Alberta. Despite rather frequent interruptions due to unsettled weather in September, harvesting operations proceeded satisfactorily and by mid-October had, for the most part, been completed.

Wheat production in the Prairie Provinces in 1952 established a new record, being estimated at 664 million bushels as compared with 529 million bushels in 1951. For Canada as a whole, wheat production amounted to 688 million bushels in 1952 as compared with 553 million bushels in 1951.

Wheat production in the Prairie Provinces and for Canada in 1952 is shown in the following table, with comparative statistics for 1951:

	1951	1952
	(Million Bushels)	
Manitoba.....	52.0	57.0
Saskatchewan.....	325.0	435.0
Alberta.....	152.0	172.0
Prairie Provinces.....	529.0	664.0
Other Provinces.....	24.0	24.0
Total.....	553.0	688.0

Supplies of wheat from the 1952 crop were supplemented by the commercial carryover (wheat in country elevators, terminal elevators, mills and in-transit, etc.) on July 31, 1952 amounting to 196 million bushels.

*Source: Board of Grain Commissioners for Canada. Includes exports of Ontario Winter Wheat. Figures subject to revision.

The following table shows 1952-53 exports of wheat and flour by countries of destination:

EXPORTS OF WHEAT AND WHEAT FLOUR*

CROP YEAR 1952-53

Continental Areas and Countries

Area	Country	Wheat	Flour (Wheat Equivalent) (bushels)	Total
EUROPE:				
	United Kingdom.....	101,999,291	21,394,138	123,393,429
	Germany.....	24,113,938	233,001	24,346,939
	Belgium.....	20,860,364	—	20,860,364
	Netherlands.....	15,594,551	—	15,594,551
	Italy.....	13,495,035	75,393	13,570,428
	Jugoslavia.....	10,538,617	54,283	10,592,900
	Switzerland.....	10,202,846	—	10,202,846
	Ireland.....	6,532,999	—	6,532,999
	Norway.....	5,889,269	—	5,889,269
	Spain.....	3,202,046	—	3,202,046
	Austria.....	2,519,007	—	2,519,007
	Denmark.....	2,267,018	675	2,267,693
	Malta.....	1,471,366	—	1,471,366
	France.....	1,287,165	—	1,287,165
	Portugal.....	996,000	55,908	1,051,908
	Greece.....	698,163	52,322	750,485
	Sweden.....	734,084	—	734,084
	Gibraltar.....	—	151,893	151,893
	Iceland.....	—	63,405	63,405
	TOTAL.....	222,401,759	22,081,018	244,482,777

(This table continued on page 5)

7. Exports

The following table shows exports of wheat, including flour, for the crop year 1952-53:*

	(Million Bushels)
August, 1952.....	32.0
September.....	29.5
October.....	33.3
November.....	43.1
December.....	30.4
January, 1953.....	22.4
	190.7
February.....	17.0
March.....	16.4
April.....	25.0
May.....	46.5
June.....	44.9
July.....	45.4
	195.2
TOTAL.....	385.9

As shown above, exports of wheat, including flour, amounted to 385.9 million bushels in 1952-53, as compared with 355.8 million bushels in the previous crop year. Exports in the last three months of the crop year exceeded those of any of the preceding months, averaging 45.6 million bushels per month.

<u>Area</u>	<u>Country</u>	<u>Wheat</u>	<u>Flour (Wheat Equivalent) (bushels)</u>	<u>Total</u>
ASIA:				
	Japan.....	13,946,165	1,015,745	14,961,910
	Pakistan.....	14,450,901	—	14,450,901
	India.....	14,055,765	243	14,056,008
	Lebanon.....	2,198,500	3,410,649	5,609,149
	Philippine Islands.....	—	5,341,203	5,341,203
	Israel.....	2,480,892	12,447	2,493,339
	Ceylon.....	—	1,462,460	1,462,460
	Korea.....	—	1,449,909	1,449,909
	Hong Kong.....	3,417	1,234,850	1,238,267
	British Malaya and Singapore.....	—	419,584	419,584
	Thailand.....	—	279,387	279,387
	Arabia.....	53,886	154,985	208,871
	Indonesia.....	—	90,234	90,234
	Portuguese Asia.....	—	83,295	83,295
	Other Countries.....	59,583	11,421	71,004
	TOTAL.....	47,249,109	14,966,412	62,215,521

**CENTRAL AMERICA AND
THE CARIBBEAN AREA:**

	Trinidad-Tobago.....	500	1,876,392	1,876,892
	Cuba.....	1,263,923	103,590	1,367,513
	Jamaica.....	3,950	1,226,061	1,230,011
	Leeward-Windward Islands.....	—	1,019,934	1,019,934
	Costa Rica.....	87,700	385,259	472,959
	Barbados.....	850	339,948	340,798
	Panama.....	—	316,935	316,935
	Guatemala.....	—	282,344	282,344
	El Salvador.....	—	245,907	245,907
	Bahamas.....	—	240,566	240,566
	Haiti.....	—	236,412	236,412
	Nicaragua.....	—	182,884	182,884
	Netherlands West Indies.....	—	169,448	169,448
	Dominican Republic.....	—	121,280	121,280
	Bermuda.....	—	110,826	110,826
	Other Countries.....	6,667	109,210	115,877
	TOTAL.....	1,363,590	6,966,996	8,330,586

SOUTH AMERICA:

	Brazil.....	11,089,012	367,695	11,456,707
	Peru.....	5,566,101	65,308	5,631,409
	Venezuela.....	42,375	2,809,778	2,852,153
	Bolivia.....	2,194,575	41,782	2,236,357
	Chile.....	1,477,534	—	1,477,534
	British Guiana.....	—	948,919	948,919
	Ecuador.....	576,864	102,073	678,937
	Colombia.....	82,605	405,630	488,235
	Surinam.....	—	167,927	167,927
	Other Countries.....	—	12,460	12,460
	TOTAL.....	21,029,066	4,921,572	25,950,638

(This table concluded on page 6)

Area	Country	Wheat	Flour (Wheat Equivalent) (bushels)	Total
AFRICA:				
	Egypt.....	7,425,193	6,479,771	13,904,964
	Union of South Africa.....	5,675,599	—	5,675,599
	Libya.....	772,800	—	772,800
	Morocco.....	—	581,022	581,022
	Belgian Congo.....	7,348	257,508	264,856
	Portuguese Africa.....	204,400	16,308	220,708
	Gold Coast.....	—	136,440	136,440
	Nigeria.....	—	121,415	121,415
	Other Countries.....	—	121,864	121,864
	TOTAL	14,085,340	7,714,328	21,799,668
UNITED STATES:				
	Consumption.....	17,133,344	229,031	17,362,375
	Milling in Bond.....	5,763,620	—	5,763,620
	TOTAL	22,896,964	229,031	23,125,995
GRAND TOTAL		329,025,828	56,879,357	385,905,185

*Source: Board of Grain Commissioners for Canada. Includes exports of Ontario Winter Wheat. Figures subject to revision.

Western Europe was again the principal market for Canadian wheat, taking 67% of Canadian exports of wheat and 39% of wheat exported as flour. The United Kingdom was the largest individual market for both wheat and flour. Canadian exports to the United Kingdom were 123.4 million bushels, consisting of 102.0 million bushels of wheat and 21.4 million bushels of wheat as flour. Exports to most of the other European countries were higher than the previous year, Germany taking 24.3 million bushels, Belgium 20.9 million bushels, the Netherlands 15.6 million bushels, Italy 13.6 million bushels and Yugoslavia and Switzerland 10.6 and 10.2 million bushels respectively.

Exports to Asiatic countries were some 11 million bushels higher than in 1951-52, totalling 62.2 million bushels. Japan, Pakistan and India were the largest importers of Canadian wheat in Asia, each taking between 14 and 15 million bushels. Exports to Lebanon consisted of 2.2 million bushels of wheat and 3.4 million bushels of flour, while Israel took 2.5 million bushels almost entirely in the form of wheat. The Philippine Islands were again an important flour market, taking 5.3 million bushels, while Ceylon, Korea and Hong Kong each took over a million bushels of wheat as flour. Lesser amounts of flour were exported to British Malaya and Singapore, Thailand, Arabia and other Asiatic countries.

Exports to Central America and to the Caribbean area totalled 8.3 million bushels, consisting mainly of flour. Wheat exports to that

area amounted to 1.4 million bushels, of which 1.3 million bushels went to Cuba. Trinidad-Tobago, Jamaica, Leeward-Windward Islands and Barbados in the British West Indies were all important flour markets, while Costa Rica, Panama, Guatemala, El Salvador, Bahamas, Haiti and Nicaragua also took significant quantities. Lesser amounts of flour went to Netherlands West Indies, Dominican Republic, Bermuda and other countries in the Central American and Caribbean area.

Exports to South American countries amounted to almost 26 million bushels, consisting of 21.0 million bushels of wheat and 4.9 million bushels of flour. Brazil purchased 11.1 million bushels of wheat and .4 million bushels of wheat as flour. The other major buyers of Canadian wheat were Peru, Bolivia, Chile and Ecuador, while the principal importers of Canadian flour were Venezuela, British Guiana and Colombia.

Exports to Africa totalled 14.1 million bushels of wheat and 7.7 million bushels of flour. Egypt was the principal purchaser of both wheat and flour, taking a total of 7.4 million bushels of wheat and 6.5 million bushels of wheat as flour. The Union of South Africa imported 5.7 million bushels of Canadian wheat, while Libya and Portuguese Africa imported .8 and .2 million bushels of wheat respectively. Morocco, Belgian Congo, Gold Coast and Nigeria were other African countries taking Canadian flour during the crop year.

In 1952-53 exports to the United States amounted to 23.1 million bushels, of which 5.8 million bushels were for milling in bond. Exports for consumption in the United States were principally low grade wheat for feeding purposes.

WHEAT EXPORTS BY PORTS*

Wheat exports, including Ontario Winter Wheat, through Eastern Canadian ports in 1952-53 amounted to 189.0 million bushels, of which .2 million bushels went direct from the Lakehead to overseas markets. Pacific Coast clearances were 104.7 million bushels and 8.6 million bushels were exported through Churchill. A total of 26.6 million bushels was shipped to United States destinations, of which 3.7 million bushels were re-exported via United States Atlantic ports.

*Source: Board of Grain Commissioners for Canada. Figures subject to revision.

8. Transportation

The grain movement in Canada in 1952-53 constituted an outstanding achievement on the part of all agencies of transportation. The railways moved the unprecedented volume of 742 million bushels of grain from country elevators. As a result, producers in the Prairie Provinces were able to deliver an all-time record of some 330 million bushels of grain at country delivery points. Lake carriers moved 458.6 million bushels of grain from the Lakehead to Eastern Canadian or United States destinations and kept pace with the movement required to meet eastern domestic requirements and export movements. The railways provided the necessary transportation for the rail movement of grain from Georgian Bay ports and other inland ports to St. Lawrence ports and the necessary transportation to sustain a large movement of grain from Maritime ports. Pacific Coast requirements were fully met by the railways.

The following table summarizes the main movements of western grain in 1952-53, along with comparative figures for 1950-51 and 1951-52:

	1950-51	1951-52	1952-53
	(million bushels)		
Shipments from country stations....	480	672	742
Receipts—Pacific Coast.....	63	124	124
Receipts—Fort William/Port Arthur.....	318	453	531
Shipments from Fort William/Port Arthur (Lake and all-rail).....	283	471	513

In the various grain movements which are described in this Report, the Board wishes to acknowledge the co-operation of Mr. R. W. Milner, Transport Controller, the Canadian Pacific Railway, the Canadian National Railways, the Northern Alberta Railways Company and the lake boat operators. The Board also wishes to acknowledge the work of the Commissioners and

staff of the Board of Grain Commissioners for Canada for their part in facilitating and expediting the large grain movement in 1952-53.

9. Delivery Quotas

On July 24, 1952 the Board announced initial delivery quotas for the crop year commencing on August 1, 1952. The initial quotas were 5 bushels per seeded acre for wheat and rye and 4 bushels per seeded acre for oats and barley; the application of initial quotas on wheat, oats and barley being deferred at a considerable number of delivery points in order to allow for deliveries of old crop grain. On August 12, 1952 the initial barley quota became effective at all delivery points and on August 20th the initial wheat and oats quotas became effective at all delivery points. From the start of the crop year provision was made for the delivery of one carlot of malting barley over the quota, providing such barley had been accepted by a maltster or shipper and providing a quality premium was paid to the producer. On October 3, 1952 Durum Wheat was placed on an open quota basis, reflecting the scarcity of this variety of wheat in relation to existing demand.

As space became available, quotas were increased at individual stations. By mid-November initial wheat quotas remained in effect at a relatively small group of stations. About one-half of delivery points had a wheat quota of 8 bushels per seeded acre and at about 800 delivery points wheat quotas had been advanced to 10, 12 or 15 bushels per seeded acre. Rye quotas kept pace with quotas on wheat but oats and barley quotas were advanced more slowly.

On November 21, 1952 the Board announced that for the winter period at least, the maximum quota at any point would not be raised above 15 bushels per seeded acre and that future shipments from delivery points with a 15-bushel per seeded acre quota would be restricted.

On December 9, 1952 the 15-bushel delivery quota on wheat, oats, barley and rye became effective at all delivery points in Manitoba and these stations became alternative delivery points. On January 29, 1953 the 15-bushel per seeded acre quota became effective at all Alberta delivery points. On March 3, 1953 delivery restrictions on rye were removed and all delivery points in Saskatchewan were placed on a quota of 15 bushels per seeded acre on wheat, oats and barley.

At the same time, the Board announced that the delivery quota of 15 bushels per seeded acre on wheat, oats and barley would be known as the basic quota for 1952-53 and that as available space in country elevators warranted, the Board would establish supplementary quotas. These

supplementary quotas would be based on each producer's combined seeded acreage for wheat, oats and barley and in making deliveries under supplementary quotas, producers could choose the kind of grain or the combination of grains which they wished to deliver.

Under the revised quota policy all delivery points previously designated as alternative delivery points were removed from that category and a new basis for establishing alternative delivery points became effective. It was provided that any delivery point at which a supplementary quota of not less than 3 bushels per seeded acre had been effective for a period of fourteen days would become an alternative delivery point available to any producer, regardless of the delivery point designated in his permit book. During the balance of March and in April, supplementary quotas were established at individual stations in accordance with space available. On April 29, 1953 the 3-bushel supplementary quota became effective at all delivery points in the Prairie Provinces and on May 15, 1953 all stations became alternative delivery points.

On May 8th, the grain delivery position in the Prairie Provinces was reviewed in some detail in a release to handling companies for the information of elevator agents, producers and others. At that time estimates in the hands of the Board indicated that the farm surpluses from the 1952 crop amounted to some 964 million bushels, a quantity of grain in excess of that for which storage space could be made available during the crop year 1952-53. On the basis of estimates of the internal grain movement and the export movement for the balance of the crop year, the Board considered that it would be possible for producers to market about 830 million bushels by July 31, 1953. This was substantially the quantity of grain estimated as deliverable under the basic quota of 15 bushels per seeded acre on wheat, oats and barley and the supplementary 3-bushel delivery quota on total wheat, oats and barley acreage, plus producers' deliveries of grains which at the time were not subject to quota restrictions or were authorized for delivery in excess of quotas.

To mid-June the volume of producers' deliveries was disappointing. By June 11th producers' marketings of all grains in the West amounted to only 648 million bushels, leaving some 180 million bushels of acceptable deliveries on farms on the basis of estimates in the hands of the Board. While there was congestion at a considerable number of delivery points, particularly in Saskatchewan, there was at that time between 75 and 100 million bushels of space in country elevators which, for one reason or another, was not being used for the delivery of grain.

On June 19, 1953 the Board announced the quota policy which would be effective for the

balance of the crop year. The policy re-emphasized the effort which the Board was making to provide space for the basic and supplementary quotas. At the same time, the Board recognized that there was a considerable volume of elevator space in the Prairie Provinces in excess of the space required by established quotas; and that additional space would be opened up through country elevator shipments during the balance of the crop year. In order to make this surplus space available to producers, the Board provided that at delivery points where space was adequate for the basic and supplementary quotas, elevator agents, on authorization of the Board, could take delivery of additional grain to utilize such surplus space. Under this arrangement producers' marketings increased sharply in the latter part of June, and were exceedingly heavy in July, 1953. As a result of the policy pursued by the Board, producers' marketings of all grains for the year ending July 31, 1953 amounted to some 830 million bushels, and reached the objective set by the Board earlier in the crop year.

In order to provide a further opportunity for the delivery of old crop grain, the Board continued the foregoing policy until August 14, 1953. During the first two weeks in August an additional 30 million bushels of grain were delivered by producers.

10. Handling Agreement

The terms of the 1951-52 Handling Agreement were continued in the 1952-53 Agreement negotiated with handling companies. Handling margins remained at 4½¢ per bushel on wheat and barley and 3½¢ per bushel on oats, and the storage rate at 1/35 of a cent per bushel per day. There was a reduction from 2¢ to 1½¢ per bushel in the diversion charge paid on wheat shipped or diverted to interior government terminals.

11. 1952-53 Pool Account—Wheat

BOARD RECEIPTS

The following table shows receipts of wheat from producers, by months, for the period from August 1, 1952 to July 31, 1953:

	Bushels
September, 1952.....	63,180,333.0
October.....	77,018,837.7
November.....	45,476,442.9
December.....	32,139,069.6
January, 1953.....	57,194,056.4
February.....	29,242,658.9
March.....	29,611,793.3
April.....	21,595,452.7
May.....	35,912,936.5
June.....	36,472,332.0
July.....	105,171,164.0
TOTAL.....	533,015,077.0

Board receipts from producers amounted to 533.0 million bushels as compared with 454.0 million bushels in 1951-52.

On August 1, 1952 there was about 100 million bushels of space available in country elevators for new crop deliveries and some additional space was created prior to harvest. Throughout the crop year there was a sustained movement of grain off farms into country elevators.

Board receipts were particularly heavy in July, 1953. These deliveries resulted from the general use of all available space at the time, and by the desire of producers to deliver as much grain as possible in view of the excellent condition of the 1953 grain crop.

Board receipts from others than producers amounted to 2,080,211.3 bushels.

GRADE PATTERN OF BOARD RECEIPTS

The following table shows Board receipts, by principal grades, in 1952-53:

Grade (including Toughs & Damps)	Total Bushels	% of Total
No. 1 Northern.....	51,092,541.5	9.6
No. 2 Northern.....	273,936,304.5	51.4
No. 3 Northern.....	111,872,879.3	21.0
No. 4 Northern.....	42,001,200.3	7.9
No. 1 to 4 Durum.....	7,953,590.9	1.5
No. 1 to 3 Garnet.....	5,364,799.1	1.0
No. 5 Wheat.....	29,587,284.7	5.5
No. 6 Wheat.....	4,163,578.2	.8
Feed Wheat.....	500,101.3	.1
Other Grades.....	6,542,797.2	1.2
Total.....	<u>533,015,077.0</u>	<u>100.0</u>

As shown by the above table, 82.0% of Board receipts graded No. 1 Northern, No. 2 Northern and No. 3 Northern. No. 2 Northern was the principal grade received, receipts of this grade amounting to 273.9 million bushels, or 51.4% of total Board receipts.

In contrast to the crop years 1950-51 and 1951-52, receipts of low grade wheat were relatively small. In addition, the 1952 crop was harvested under generally favourable weather conditions and very little out-of-condition grain had to be handled. The high and more uniform grading of the 1952 crop resulted in more effective use being made of available storage capacity.

TOTAL WHEAT STOCKS—1952-53 POOL

In addition to 1952-53 Board receipts of 535,095,288.3 bushels, 103,208,409.5 bushels were transferred from the 1951-52 Pool to the 1952-53 Pool as at October 24, 1952.*

*For details of this transfer see Pages 10 and 11 of the Annual Report of The Canadian Wheat Board for 1951-52.

SALES POLICY—WHEAT

Early in the crop year the Board, in co-operation with handling companies and country elevator agents, made a survey of probable marketable surpluses arising from the 1952 grain crop in the Prairie Provinces. This survey indicated deliverable quantities of grain in excess of 950 million bushels, a figure which was only slightly reduced in subsequent estimates. The farm surplus of wheat was estimated at close to 600 million bushels. Apart from all other factors, the unprecedented production of grain provided a compelling reason for the utmost of effort in effecting sales.

The Board's selling operations relating to 1952-53 were commenced well before the start of the crop year and gathered momentum as the harvesting of the record wheat crop of 1952 approached. Fortunately, the ample grain supply position in Canada was accompanied by an active international demand for wheat and other grains. As a result, an unprecedented grain movement occurred within Canada during the crop year 1952-53 in support of a record export movement.

In the two previous crop years the marketing operations of the Board had been complicated by the harvesting of a large volume of out-of-condition grain. In general, the 1952 crop was harvested in a dry condition and this facilitated the grain movement throughout the crop year. In its approach to export markets, the Board also had an advantage in the wide range in grades of wheat available. The milling quality of the 1952 wheat crop was somewhat below normal and this worked against sales in some markets.

During the early part of the crop year the main competition arose from United States wheat. Later on in the crop year the better crops harvested in Argentina and Australia added to competition. Throughout the crop year, however, Canadian wheat held its position in world markets.

World demand was sufficiently strong in relation to world supply that sales of wheat registered under the International Wheat Agreement were made basis the maximum price provided for in the Agreement. Class II prices for milling grades of wheat remained above the Board's prices for wheat sold under the International Wheat Agreement for registration in 1952-53.

In spite of the unprecedented volume of producers' deliveries in 1952-53 and in spite of heavy year-end deliveries of wheat from producers, the visible supply of Canadian wheat increased by only slightly over 75 million bushels between July 31, 1952 and July 31, 1953. This means that the total disposition of wheat in domestic and export trade during the crop year exceeded 450 million bushels.

GENERAL COMMENT

The operating statement of the 1952-53 Pool Account shown below must be regarded as an interim statement only and not comparable to the corresponding operating statements of the 1950-51 and 1951-52 Pool Accounts shown in the preceding Annual Reports of the Board. In the case of the latter Pools it was possible to include final operating statements because these Pool Accounts were closed on October 20, 1951 and October 24, 1952, respectively. On the other hand, the closing of the 1952-53 Pool Account has been deferred and the operating statement which follows shows the position of this Pool as at July 31, 1953.

It should also be observed that the 1951-52 Pool Account was closed as at October 24, 1952 and therefore selling operations applicable to the 1952-53 Pool Account commenced on or about the closing date of the 1951-52 Pool Account. Therefore, the sales figures applicable to the 1952-53 Pool as shown in the following statement

include sales for a period of slightly over nine months.

For the purposes of an interim statement on the position of the 1952-53 Pool as at July 31, 1953, unsold stocks of wheat have been valued on the basis of the Board's initial prices and the final operating results of the 1952-53 Pool depend to a considerable extent upon the prices finally realized for these stocks, which at July 31, 1953 amounted to 250,194,512.4 bushels, exclusive of priced but uncompleted sales of 62,667,567.7 bushels. Board operating costs applicable to the 1952-53 Pool Account are shown to July 31st. These costs will change substantially, and in most cases will increase substantially when the 1952-53 Pool is finally closed.

The operating surplus of \$70,223,769.07 should not be considered as indicating the final surplus in the Pool. It is the operating surplus on the basis of the Pool position as at July 31, 1953 which includes an inventory valuation based upon accepted accounting practice.

1952-53 Pool Account—Wheat

The following table shows the operating position of the 1952-53 Pool Account from August 1, 1952 to July 31, 1953:

	Bushels	
1. Wheat acquired by the Board:		
(a) Producers' deliveries, August 1, 1952 to July 31, 1953.....	533,015,077.0	
(b) Purchased from the 1951-52 Pool Account—Wheat.....	103,208,409.5	
(c) Wheat otherwise acquired ①.....	2,080,211.3	
Total wheat acquired.....	638,303,697.8	
	(Value)	(Value)
2. Cost of wheat acquired.....		\$ 988,375,017.62
3. Proceeds of sales and value of unsold stocks of wheat as at July 31, 1953:		
(a) (i) Completed sales at realized prices.....	\$583,694,584.18	
(ii) Uncompleted sales at contract prices.....	114,367,239.23	
Total proceeds from sales.....	698,061,823.41	
(b) Value of unsold stocks of wheat stated at Board initial prices.....	379,100,799.35	1,077,162,622.76
		88,787,605.14
4. Add: Net amount recovered for storage, interest, differential charges, etc.....		9,731,455.43
5. Gross surplus as at July 31, 1953.....		98,519,060.57
6. Operating costs—August 1, 1952 to July 31, 1953:		
(a) Carrying charges, including terminal storage.....	23,029,616.74	
(b) Interest and bank charges.....	2,976,038.10	
(c) Additional freight (net).....	152,327.84	
(d) Handling, stop-off and diversion charges.....	537,252.29	
(e) Drying and reconditioning charges, etc.....	203,176.23	
(f) Administrative and general expenses.....	1,396,880.30	28,295,291.50
7. Surplus in the 1952-53 Pool Account as at July 31, 1953.....		\$ 70,223,769.07

①Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board initial prices, basis in store Fort William/Port Arthur or Vancouver.

INTERIM PAYMENT TO PRODUCERS

In September, 1953 the Board gave consideration to the financial position of the 1952-53 Pool Account. Owing to the volume of unsold stocks of wheat at that time, the Board was of the opinion that the provisions of Section 29 of the Act should not be utilized to close the 1952-53 Pool by transferring unsold stocks to the 1953-54 Pool. It was the view of the Board that it would be very difficult to arrive at a price basis for such a transfer and therefore the closing of the 1952-53 Pool under the provisions of Section 29 of the Act should be deferred. At the same time, it was the opinion of the Board that the financial position of the 1952-53 Pool Account was such that an interim distribution of funds could be made to producers who had delivered wheat to the Pool. The Board therefore recommended, and the Governor in Council approved and directed, in accordance with Section 26 (3) of the Act, that an interim payment of 12c per bushel on all grades of wheat delivered to the 1952-53 Pool be made. This interim payment was approved by Order in Council P.C. 1953-1479, September 24, 1953 and constitutes a liability of the 1952-53 Pool Account not included in the foregoing statement, which shows the operating position of the Pool as at July 31, 1953. The interim payment involved the distribution of \$63,961,815.36.

SALES OF WHEAT—1952-53 POOL

Board sales during the crop year 1952-53 were divided between the 1951-52 Pool Account and the 1952-53 Pool Account. As shown in the Board's Annual Report for the crop year 1951-52 (Exhibit II), Board sales from August 1, 1952 to October 24, 1952 amounting to 141,047,024-54 bushels were applied to the 1951-52 Pool Account.

During the crop year the Board sold an additional 388,109,185.4 bushels of wheat, these sales being applied to the 1952-53 Pool Account.

The following table shows sales of wheat applicable to the 1952-53 Pool to July 31, 1953:

	Bushels
Domestic Sales.....	45,351,508.8
Export Sales at Class II prices.....	134,511,975.3
Export Sales under the terms of the International Wheat Agreement.....	208,228,277.5
Weight losses in transit and in drying and reconditioning.....	17,423.8
Total Sales.....	<u>388,109,185.4</u>

As shown by the above table, sales from the 1952-53 Pool for the year ending July 31, 1953 amounted to 388,109,185.4 bushels. Sales of wheat for registration under the International Wheat Agreement were 208,228,277.5 bushels, while Class II sales amounted to 134,511,975.3 bushels. Domestic sales from the 1952-53 Pool were 45,351,508.8 bushels.

OPERATING COSTS—1952-53 WHEAT ACCOUNT

Board operating costs applicable to the 1952-53 Pool amounted to \$28,295,291.50 to July 31, 1953. Against these operating costs the Board recovered \$12,211,487.94 in carrying charges on wheat sold in the domestic market and under the International Wheat Agreement. The net recovery was \$9,731,455.43 after allowing for excess differential charges on export shipments of wheat.

Interest and bank charges amounted to \$2,976,038.10, while administrative and general expenses applicable to the 1952-53 Wheat Account were \$1,396,880.30. Net additional freight charges on wheat shipped from country elevators amounted to \$152,327.84. These charges were incurred principally in the movement of low grade wheat from Alberta to the Lakehead. On wheat shipped to interior terminals, handling, stop-off and diversion charges in the sum of \$537,252.29 were incurred by the Board. Drying and reconditioning charges amounted to \$203,176.23.

Board Selling Prices—1952-53 Wheat Pool

The following table shows Board quotations for sales of wheat under the terms of the International Wheat Agreement and for sales of Class II Wheat, by months, from August 1, 1952 to July 31, 1953 (Basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver):

	International Wheat Agreement Price ^①			Class II Price ^②		
	High	Low	Average	High	Low	Average
August, 1952.....	173 $\frac{3}{8}$	172 $\frac{3}{4}$	173	218 $\frac{3}{4}$	214	216 $\frac{3}{8}$
September.....	172 $\frac{7}{8}$	172 $\frac{5}{8}$	172 $\frac{3}{4}$	220 $\frac{7}{8}$	214 $\frac{3}{4}$	218 $\frac{1}{2}$
October.....	174 $\frac{3}{4}$	172 $\frac{7}{8}$	173 $\frac{5}{8}$	225	218 $\frac{3}{4}$	221 $\frac{3}{4}$
November.....	177 $\frac{1}{4}$	173 $\frac{7}{8}$	175 $\frac{3}{4}$	231 $\frac{3}{4}$	224 $\frac{1}{4}$	227 $\frac{5}{8}$
December.....	175 $\frac{1}{2}$	174 $\frac{1}{8}$	174 $\frac{3}{4}$	224 $\frac{3}{8}$	219 $\frac{3}{8}$	221 $\frac{3}{8}$
January, 1953.....	175	174 $\frac{1}{2}$	174 $\frac{5}{8}$	220 $\frac{1}{8}$	215 $\frac{5}{8}$	218 $\frac{1}{8}$
February.....	177 $\frac{1}{8}$	174 $\frac{5}{8}$	175 $\frac{7}{8}$	220 $\frac{1}{2}$	216 $\frac{3}{8}$	218 $\frac{1}{8}$
March.....	177 $\frac{1}{2}$	176 $\frac{3}{8}$	177	221 $\frac{3}{8}$	217 $\frac{5}{8}$	219 $\frac{7}{8}$
April.....	177 $\frac{1}{2}$	176 $\frac{5}{8}$	177	217 $\frac{5}{8}$	211 $\frac{1}{2}$	215
May.....	179 $\frac{5}{8}$	177 $\frac{3}{4}$	179	214 $\frac{1}{2}$	208 $\frac{1}{2}$	211 $\frac{3}{4}$
June.....	179 $\frac{3}{8}$	178 $\frac{1}{2}$	179	211 $\frac{1}{4}$	198	205 $\frac{5}{8}$
July.....	179	178 $\frac{1}{8}$	178 $\frac{1}{2}$	210	199 $\frac{3}{4}$	204 $\frac{5}{8}$

①Not including the six-cent per bushel carrying charge which was added to the price of all wheat sold for registration under the International Wheat Agreement for the crop year ended July 31, 1953.

②The Board's International Wheat Agreement and Class II selling prices for wheat grading No. 5 and lower were on the same basis from August 1, 1952 to July 31, 1953.

The price at which the Board sold No. 1 Northern Wheat for registration under the International Wheat Agreement from August 1, 1952 to July 31, 1953 was at the maximum provided for in the Agreement.

As in the two preceding crop years, fluctuations in the Board's 1952-53 quoted prices for wheat sold under the terms of the International Wheat Agreement were due entirely to the changing value of the Canadian dollar on exchange markets. (See Pages 1 and 2 of this Report.)

Quotations for No. 1 Northern Wheat registered under the International Wheat Agreement ranged from a low of \$1.72 $\frac{3}{8}$ per bushel in September, 1952 to a high of \$1.79 $\frac{5}{8}$ per bushel in May, 1953. The almost continuous rise in Board quotations throughout the crop year was the result of a gradual decline in the premium paid for the Canadian dollar on foreign exchange markets.

During the first four months of the crop year, Board quotations on Class II Wheat in store Fort William/Port Arthur or Vancouver increased from a low of \$2.14 per bushel in August, 1952 to a high of \$2.31 $\frac{3}{4}$ per bushel in November. A sharp price drop to a low of \$2.19 $\frac{3}{8}$ per bushel occurred in December. Thereafter Class II quotations declined somewhat more gradually to a low of \$1.98 per bushel in June, 1953 and to a

low monthly average quotation of \$2.04 $\frac{5}{8}$ per bushel for July, 1953. Throughout the crop year the Board maintained its Class II prices for low grades of wheat at the same level as its selling prices for these grades under the International Wheat Agreement.

From August 1, 1952 to May 19, 1953 the Board sold wheat for domestic use at the same prices at which it sold wheat under the terms of the International Wheat Agreement. On May 19, 1953 the basis of the Board's selling prices for domestic wheat was adjusted to provide for the transition from the first International Wheat Agreement to the revised Agreement scheduled to come into effect on August 1, 1953. For this interim period the Board's domestic price was related either to the maximum price under the revised Agreement or to the Board's Class II price, whichever was the lower.

12. Oats and Barley

CROPS AND SUPPLIES

The area seeded to oats in the Prairie Provinces in 1952 was 7,560,000 acres as compared with 8,312,000 acres in 1951. Oats production in the Prairie Provinces amounted to 346 million bushels as compared with 340 million bushels in 1951.

The area seeded to barley in the Prairie Provinces in 1952 was increased to a record of 8,145,000 acres from 7,530,000 acres in 1951. This was a quarter of a million acres larger than the previous record barley acreage seeded in the three provinces in 1943, and more than 2.5 million acres more than was seeded in 1949. Barley production also reached a record of 281 million bushels in 1952 as compared with the previous record of 234 million bushels in 1951.

Supplies of oats and barley in commercial positions on July 31, 1952 amounted to 50.2 million bushels and 57.8 million bushels respectively as compared with 35.0 million bushels of each grain on the corresponding date in the previous year.

LEGISLATION

Under Order in Council P.C. 3381, June 23, 1952 (Canadian Wheat Board Regulations) Parts III and IV of The Canadian Wheat Board Act were extended to oats and barley for the crop year ending July 31, 1953.

By the same Order in Council the initial price of oats was established at 65c per bushel basis No. 2 Canada Western Oats in store Fort William/Port Arthur, and the initial price of barley was established at 96c per bushel basis No. 3 C.W. Six-Row Barley in store Fort William/Port Arthur.

Order in Council P.C. 1953-215, February 19, 1953 authorized the Board to increase the initial price of barley from 96c per bushel to \$1.11 per bushel basis No. 3 C.W. Six-Row Barley in store Fort William/Port Arthur, effective March 2, 1953. By the same Order in Council, and by Order in Council P.C. 1953-329, March 5, 1953 the Board was authorized to make an adjustment payment of 15c per bushel on all barley delivered to the Board on and after August 1, 1952 and before March 2, 1953.

The initial price of oats was not increased during 1952-53.

Order in Council P.C. 1953-1702, November 4, 1953 authorized the transfer of unsold stocks of oats in the 1952-53 Pool as at October 9, 1953 to the 1953-54 Pool. The distribution of the final surplus in the 1952-53 Oats Pool to the producers was approved by Order in Council P.C. 1953-1703, November 4, 1953.

The transfer of unsold stocks of barley in the 1952-53 Pool as at October 30, 1953 to the 1953-54 Pool was authorized by Order in Council P.C. 1953-1800, November 19, 1953. The distribution of the final surplus in the 1952-53 Barley Pool to the producers was approved by Order in Council P.C. 1953-1801, November 19, 1953.

13. 1952-53 Oats Pool

Board Receipts

The following table shows Board receipts of oats, by months, from August 1, 1952 to July 31, 1953:

	Bushels
September, 1952.....	11,132,866.4
October.....	11,979,787.3
November.....	8,003,316.3
December.....	9,736,895.5
January, 1953.....	9,505,591.5
February.....	5,473,078.7
March.....	5,529,849.1
April.....	5,195,426.9
May.....	8,040,784.2
June.....	9,387,090.3
July.....	34,983,761.3
TOTAL.....	<u>118,968,447.5</u>

Board receipts of oats in 1952-53 amounted to 119.0 million bushels as compared with 133.1 million bushels in 1951-52. Oats deliveries by producers were steady September through June as delivery opportunity was provided through increased quotas and available elevator space. Deliveries were extremely heavy in July, 1953.

Sales—1952-53 Oats Pool

The 1952-53 Oats Pool was closed on October 9, 1953. The following table outlines the position of the Pool on the closing date:

	Bushels
Board Receipts.....	118,968,447.5
Transferred from the 1951-52 Pool.....	17,396,603.9
TOTAL RECEIPTS.....	<u>136,365,051.4</u>
Completed Sales, August 1, 1952 to October 9, 1953.....	123,577,607.3 ①
Uncompleted Sales as at October 9, 1953.....	<u>12,787,444.1 ②</u>

Transfer to the 1953-54 Pool

Stocks of oats, and related sales of futures contracts, were transferred to the 1953-54 Pool as at October 9, 1953. The principal grades of oats transferred were:

	Bushels
No. 2 Canada Western.....	217,843.2
No. 3 Canada Western.....	261,247.8
Extra No. 1 Feed.....	3,144,122.7
No. 1 Feed.....	5,440,551.9
No. 2 Feed.....	2,330,819.4
No. 3 Feed.....	358,961.4
Other Grades.....	1,033,897.7
TOTAL.....	<u>12,787,444.1</u>

① Includes weight losses in drying and reconditioning amounting to 830.2 bushels.

② Covered by sales of futures contracts.

The foregoing transfer was made under provisions of Section 29 of The Canadian Wheat Board Act, and was authorized by Order in Council P.C. 1953-1702, November 4, 1953.

Price Basis of Transfer

All cash oats remaining unsold from the 1952-53 Pool on October 9, 1953 were previously

covered by futures contracts. The actual transfer therefore involved pricing the various grades of oats in relation to the closing price of the October and December futures on October 9th, which were 72 $\frac{3}{8}$ c per bushel and 69c per bushel respectively. An allowance of 1 $\frac{1}{2}$ c per bushel for carrying charges subsequent to the transfer date was made on all grades of oats transferred.

1952-53 Pool Account—Oats

The following table shows the operating results of the 1952-53 Oats Pool from August 1, 1952 to the closing date of the Pool on October 9, 1953:

	Bushels	
1. Oats acquired by the Board:		
(a) Producers' deliveries August 1, 1952 to July 31, 1953.....	118,967,962.5	
(b) Oats otherwise acquired..... ①	485.0	
(c) Purchased from 1951-52 Pool Account—Oats.....	17,396,603.9	
Total oats acquired.....	<u>136,365,051.4</u>	
	(Value)	(Value)
2. Cost of oats acquired.....		\$84,526,611.25
3. Proceeds of sales—August 1, 1952 to October 9, 1953.....	\$91,063,352.40	
Transferred to 1953-54 Pool as at October 9, 1953..... ②	8,455,618.50	99,518,970.90
4. Gross surplus as at October 9, 1953.....		14,992,359.65
5. Operating costs—August 1, 1952 to October 9, 1953:		
(a) Carrying charges including terminal storage.....	3,433,000.58	
(b) Interest and bank charges..... (	21,088.13)	
(c) Freight recovery on export oats..... (	50,968.70)	
(d) Grade adjustments, drying and reconditioning charges, etc.....	163,000.36	
(e) Brokerage and Clearing Association charges.....	28,718.74	
(f) Administrative and general expenses.....	<u>310,273.59</u>	<u>3,862,936.44</u>
6. Surplus in the 1952-53 Oats Pool Account as at October 9, 1953.....		<u>\$11,129,423.21</u>

① Purchases from non-producers at the Board's initial prices basis in store Fort William/Port Arthur.

② For details of transfer see Pages 13 and 14 of this Report.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1952-53 Oats Pool for distribution to producers was:

Surplus as at October 9, 1953.....		\$11,129,423.21
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$110,606.03	
Cost of issuing Final Payment.....	74,171.79	184,777.82
		<u>10,944,645.39</u>
<i>Add:</i> Additional interest earned after October 9, 1953.....		5,351.19
Surplus for distribution to producers.....		<u>\$10,949,996.58</u>

The distribution of surplus funds in the 1952-53 Oats Pool was approved by Order in Council P.C. 1953-1703, November 4, 1953. On the 118,967,962.5 bushels of oats delivered by producers during the crop year the average final payment was 9.204c per bushel.

The following table shows initial payments, final payments, and prices (basis in store Fort

William/Port Arthur) realized by producers for the principal grades of oats delivered to the Board in 1952-53 after deducting Board operating costs, including carrying charges in country and terminal elevators, drying and reconditioning costs and Board administrative expenses:

	<u>Initial*</u> <u>Payment</u>	<u>Final*</u> <u>Payment</u>	<u>Realized*</u> <u>Price</u>
	(cents per bushel)		
No. 2 Canada Western.....	65	09.119	74.119
Extra 3 Canada Western.....	62	09.976	71.976
No. 3 Canada Western.....	62	09.220	71.220
Extra No. 1 Feed.....	62	09.220	71.220
No. 1 Feed.....	60	08.478	68.478
No. 2 Feed.....	53	13.408	66.408
No. 3 Feed.....	48	16.021	64.021
Tough No. 3 Canada Western.....	58	12.220	70.220
Tough Extra No. 1 Feed.....	58	12.220	70.220
Tough No. 1 Feed.....	56	11.478	67.478
Tough No. 2 Feed.....	49	16.408	65.408

*Prices and payments prior to deduction of Prairie Farm Assistance Act levy.

GENERAL COMMENT ON THE MARKETING OF OATS—1952-53

1. Sales

Throughout the crop year there was some uncertainty about the quantity of oats which would be delivered to the Board by producers. This uncertainty existed not because of doubt as to the size of the 1952 oats crop and deliverable quantities, but rather because of the extent to which producers might prefer to market wheat and

barley under the circumstances which existed. Actually the quantity of oats delivered to the Board was considerably smaller than anticipated early in the crop year and there was a substantial increase in the farm carryover of oats on July 31, 1953 as compared with the previous year.

The following table shows producers' deliveries to the Board, net sales, by months, and stocks of oats held by the Board at the end of each month:

	Deliveries to the Board	Net Sales① of 1952 Crop by the Board (bushels)	Balance of 1952 Crop held by the Board at end of month
August, 1952.....	—	10,121,447.9	(10,121,447.9)
September.....	28,529,470.3 ②	32,767,399.2 ②	(14,359,376.8)
October.....	11,979,787.3	13,771,380.3	(16,150,969.8)
November.....	8,003,316.3	6,895,968.0	(15,043,621.5)
December.....	9,736,895.5	4,227,648.9	(9,534,374.9)
January, 1953.....	9,505,591.5	853,263.3	(882,046.7)
February.....	5,473,078.7	5,144,475.3	(553,443.3)
March.....	5,529,849.1	6,563,973.2	(1,587,567.4)
April.....	5,195,426.9	2,981,808.4	626,051.1
May.....	8,040,784.2	6,648,670.0	2,018,165.3
June.....	9,387,090.3	9,038,492.8	2,366,762.8
July.....	34,983,761.3	13,355,770.9	23,994,753.2
August.....	—	12,881,650.3	11,113,102.9
September.....	—	9,105,464.7	2,007,638.2
October.....	—	2,007,638.2	—
	<u>136,365,051.4</u>	<u>136,365,051.4</u>	<u>—</u>

①Includes weight losses in drying and reconditioning amounting to 830.2 bushels.

②Includes purchases of 17,396,603.9 bushels from the 1951-52 Pool Account—Oats and relevant sales of futures.

The Board sold oats freely throughout the crop year. Both export and domestic demand were active in the autumn months when the highest prices of the crop year were recorded. There was a lull in demand for oats following the close of navigation, but sales increased in February and March in anticipation of the opening of navigation. Prices worked to lower levels during the winter months. A fairly broad export demand for oats developed in the final two months of the crop year and in the early part of 1953-54.

Producers' deliveries of oats were extremely heavy in July, 1953 and it took some time to move these stocks forward to terminal positions. Selling operations relating to the 1952-53 Oats Pool were carried on until October 9, 1953 when the Pool was closed.

Board sales of oats included 110.5 million bushels sold in the futures market and 25.9 million bushels sold on a flat basis.

Exports of oats in 1952-53 amounted to 65.4 million bushels as compared with 70.6 million bushels in the previous crop year. The following table shows exports of oats in 1951-52 and 1952-53 by countries of destination:

	1951-52	1952-53*
	(million bushels)	(million bushels)
United States.....	58.6	59.5
Belgium.....	8.3	4.3
United Kingdom.....	—	.6
Switzerland.....	.8	.4
Netherlands.....	1.8	—
Others.....	.1	.1
	<u>69.6</u>	<u>64.9</u>
Rolled Oats and Oatmeal.....	1.0	.5
TOTAL.....	<u>70.6</u>	<u>65.4</u>

*Source: Board of Grain Commissioners for Canada. Figures subject to revision.

The United States was again the principal export market for Canadian oats, taking 59.5 million bushels as compared with 58.6 million bushels in 1951-52. Belgium was the second largest market with imports of 4.3 million bushels. Minor exports were made to the United Kingdom, Switzerland and other countries.

The Board's monthly average quoted prices for No. 3 C.W. Oats and No. 1 Feed Oats were as follows:

	No. 3 C.W. Oats	No. 1 Feed Oats
	(cents per bushel)	
August, 1952.....	82 ¹ / ₄	79 ⁵ / ₈
September.....	81 ³ / ₄	78 ⁵ / ₈
October.....	85 ¹ / ₈	80 ⁵ / ₈
November.....	90 ⁵ / ₈	85 ¹ / ₄
December.....	82 ¹ / ₄	78 ³ / ₈
January, 1953.....	78 ³ / ₈	74 ³ / ₈
February.....	76 ¹ / ₄	73 ³ / ₈
March.....	75 ¹ / ₂	73
April.....	73 ¹ / ₈	71 ¹ / ₈
May.....	69 ¹ / ₈	67 ¹ / ₂
June.....	67 ¹ / ₂	65 ³ / ₄
July.....	70	67 ³ / ₈
August.....	74 ¹ / ₈	71 ³ / ₄
September.....	69 ³ / ₄	67 ¹ / ₄
October 1 to 9.....	70 ¹ / ₄	67 ³ / ₈

Oats prices were firm during the August-November period reaching the highest point of the year in the latter month. A sharp decline occurred in December followed by a steady decline January through June. Prices were stronger in July and August, 1953 but declined moderately in September and the early part of October, 1953.

2. Board Operating Costs—1952-53 Oats Pool

Net Board operating costs applicable to the 1952-53 Oats Pool amounted to \$3,862,936.44. The chief item in these costs was carrying charges in country and terminal elevators amounting to \$3,433,000.58. Grade adjustments, drying and reconditioning charges, etc., resulted in costs of \$163,000.36, while brokerage and Clearing Association charges were \$28,718.74. Administrative and general expenses amounted to \$310,273.59 or .2608 cent per bushel on producers' deliveries of 118,967,962.5 bushels. Interest and bank charges resulted in a net surplus of \$21,088.13, while freight recoveries on export oats amounted to \$50,968.70.

14. 1952-53 Barley Pool

Board Receipts

The following table shows Board receipts of barley, by months, from August 1, 1952 to July 31, 1953:

	Bushels
September, 1952.....	18,728,639.6
October.....	21,889,017.6
November.....	17,038,269.7
December.....	15,834,731.1
January, 1953.....	14,239,183.6
February.....	8,820,779.6
March.....	6,535,020.1
April.....	6,754,389.7
May.....	9,967,824.3
June.....	10,634,175.6
July.....	34,453,379.8
TOTAL.....	164,895,410.7

Board receipts of barley amounted to 164.9 million bushels as compared with 130.6 million bushels in 1951-52. Producers' marketings of barley were steady throughout the first half of the crop year when slightly over one-half of total deliveries were received at country elevators. Receipts were moderate February through June, but increased sharply in the final month of the crop year. In contrast to the previous crop year deliveries of out-of-condition barley were relatively small.

Sales—1952-53 Barley Pool

The 1952-53 Barley Pool was closed on October 30, 1953. As at that date the position of the Pool was as follows:

	Bushels
Board Receipts.....	164,895,410.7
Transferred from the 1951-52 Pool.....	11,372,063.2
TOTAL RECEIPTS.....	176,267,473.9
Completed Sales to October 30, 1953.....	158,681,621.5 ①
Uncompleted Sales and Unsold Stocks as at October 30, 1953.....	17,585,852.4

①Includes 12,099.4 bushels of weight losses in drying and reconditioning.

Transfer to the 1953-54 Pool

A total of 17,585,852.4 bushels was transferred to the 1953-54 Barley Pool as at October 30, 1953. The principal grades of barley transferred were as follows:

	Bushels
No. 3. C.W. Six-Row.....	340,660.6
No. 1 Feed.....	11,121,469.1
No. 2 Feed.....	3,279,552.0
No. 3 Feed.....	885,296.0
All other grades.....	1,958,874.7
TOTAL.....	17,585,852.4

These stocks were transferred under provisions of Section 29 of the Act, and the transfer was

authorized by Order in Council P.C. 1953-1800, November 19, 1953.

Price Basis of Transfer

For the purpose of the transfer, futures contracts in the amount of 8,264,000 bushels were transferred on the basis of the closing prices of the December and May futures on October 30, 1953, which were 99 $\frac{3}{8}$ cents per bushel and 101 $\frac{1}{8}$ cents per bushel respectively, and stocks of cash barley were valued at the Board's selling price for each grade of barley at the close of business on October 30, 1953, less a deduction of 2 cents per bushel to cover carrying charges subsequent to the date of transfer.

1952-53 Pool Account—Barley

The following table shows the operating results of the 1952-53 Barley Pool from August 1, 1952 to the closing date of the Pool on October 30, 1953:

	Bushels	
1. Barley acquired by the Board:		
(a) Producers' deliveries, August 1, 1952 to July 31, 1953.....	164,886,884.1	
(b) Barley otherwise acquired..... ①	8,526.6	
(c) Purchased from 1951-52 Pool Account—Barley.....	11,372,063.2	
Total barley acquired.....	176,267,473.9	
	(Value)	(Value)
2. Cost of barley acquired.....		\$184,148,659.40
3. Proceeds of Sales—August 1, 1952 to October 30, 1953.....	\$194,745,209.69	
Transferred to 1953-54 Pool as at October 30, 1953..... ②	16,469,493.52	211,214,703.21
4. Gross surplus as at October 30, 1953.....		27,066,043.81
5. Operating Costs—August 1, 1952 to October 30, 1953:		
(a) Carrying charges including terminal storage.....	5,931,389.89	
(b) Interest and bank charges..... (	36,154.64)	
(c) Freight recovery on export barley..... (	334,628.05)	
(d) Handling, stop-off and diversion charges.....	155,742.04	
(e) Grade adjustments, drying and reconditioning charges, etc..... (	851,384.12)	
(f) Brokerage and Clearing Association charges.....	31,288.98	
(g) Administrative and general expenses.....	461,400.21	5,357,654.31
6. Surplus in the 1952-53 Barley Pool Account as at October 30, 1953.....		\$ 21,708,389.50

①Purchases from non-producers at the Board's initial prices basis in store Fort William/Port Arthur.

②For details of transfer see above.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1952-53 Barley Pool for distribution to producers was as follows:

Surplus as at October 30, 1953.....		\$21,708,389.50
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$216,244.48	
Cost of issuing Final Payment.....	94,111.14	310,355.62
		21,398,033.88
<i>Add:</i> Additional interest earned after October 30, 1953.....		10,169.79
Surplus for distribution to producers.....		<u>\$21,408,203.67</u>

The distribution of surplus funds in the 1952-53 Barley Pool was authorized by Order in Council P.C. 1953-1801, November 19, 1953. On producers' deliveries of 164,886,884.1 bushels, the final surplus for distribution averaged 12.9835c per bushel.

The following table shows initial, adjustment and final payments, and prices (basis in store Fort William/Port Arthur) realized by producers for the principal grades of barley delivered to the Board in 1952-53 after deducting all Board operating costs, including carrying charges in country and terminal elevators and Board administrative expenses:

	<u>Initial*</u> Payment	<u>Adjustment*</u> Payment	<u>Final*</u> Payment	<u>Realized*</u> Price
	(dollars per bushel)			
No. 2 C.W. Six-Row.....	.98	.15	.14242	1.27242
No. 3 C.W. Six-Row.....	.96	.15	.13492	1.24492
No. 4 C.W. Six-Row.....	.90	.15	.11742	1.16742
No. 2 C.W. Two-Row.....	.91	.15	.19367	1.25367
No. 3 C.W. Two-Row.....	.88	.15	.20367	1.23367
No. 1 Feed.....	.87	.15	.10867	1.12867
No. 2 Feed.....	.80	.15	.16367	1.11367
No. 3 Feed.....	.75	.15	.16492	1.06492
Tough No. 3 C.W. Six-Row.....	.92	.15	.14492	1.21492
Tough No. 3 C.W. Two-Row.....	.84	.15	.21367	1.20367
Tough No. 1 Feed.....	.83	.15	.11867	1.09867
Tough No. 2 Feed.....	.76	.15	.17367	1.08367
Tough No. 3 Feed.....	.71	.15	.17492	1.03492

*Prices and payments prior to deduction for Prairie Farm Assistance Act levy.

GENERAL COMMENT ON THE MARKETING OF BARLEY—1952-53

1. Sales

The total volume of barley received in the 1952-53 Pool was 176.3 million bushels. This was the largest commercial supply of barley ever

available in Canada in a single crop year. Under the circumstances the Board followed an aggressive sales policy throughout 1952-53 and until the Pool was closed on October 30, 1953. The following table shows Board receipts of barley and net sales, by months, and stocks of barley held by the Board at the end of each month:

	Deliveries to the Board	Net Sales ^① of 1952 Crop by the Board (bushels)	Balance of 1952 Crop held by the Board at end of month
August, 1952.....	—	4,617,519.7	(4,617,519.7)
September.....	18,728,639.6	16,437,239.3	(2,326,119.4)
October.....	33,261,080.8 ^②	34,021,013.5 ^②	(3,086,052.1)
November.....	17,038,269.7	9,672,043.3	4,280,174.3
December.....	15,834,731.1	5,353,817.4	14,761,088.0
January, 1953.....	14,239,183.6	6,234,410.5	22,765,861.1
February.....	8,820,779.6	3,765,886.7	27,820,754.0
March.....	6,535,020.1	8,497,507.2	25,858,266.9
April.....	6,754,389.7	10,488,571.7	22,124,084.9
May.....	9,967,824.3	10,037,284.7	22,054,624.5
June.....	10,634,175.6	7,442,050.1	25,246,750.0
July.....	34,453,379.8	13,789,510.5	45,910,619.3
August.....	—	16,195,078.1	29,715,541.2
September.....	—	12,024,941.6	17,690,599.6
October.....	—	17,690,599.6	—
	<u>176,267,473.9</u>	<u>176,267,473.9</u>	<u>—</u>

①Includes weight losses in drying and reconditioning amounting to 12,099.4 bushels.

②Includes purchase of 11,372,063.2 bushels from the 1951-52 Pool Account—Barley and relevant sales of futures.

In the August-November period there was an exceptional demand for barley and price levels were buoyant. During this period the Board pressed its selling operations to the limit of the quantities of barley which could be placed in deliverable positions. The demand for barley declined sharply in the winter months and prices moved to lower levels. Demand improved as the opening of navigation approached and barley was in steady demand throughout the summer and fall months, with prices working to lower levels. In June and July producers delivered 45.1 million bushels of barley to the Board. These heavy

year-end deliveries were moved forward as quickly as possible but had the effect of extending Board selling for about three months after the close of the crop year on July 31st.

Fortunately, record barley marketings in 1952-53 were accompanied by a broad export demand for barley during the time the 1952-53 Barley Pool was under administration. Exports of barley in the crop year amounted to 118.9 million bushels as compared with 69.9 million bushels in 1951-52.

The export demand is illustrated by the following table which shows exports of barley, by countries, for the crop years 1951-52 and 1952-53:

	1951-52	1952-53 [*]
	(Million Bushels)	
Germany.....	5.9	30.4
United States.....	10.2	24.1
Japan.....	15.1	19.4
United Kingdom.....	8.0	16.1
Belgium.....	17.6	12.2
Korea.....	—	6.1
Netherlands.....	2.8	5.5
Denmark.....	3.3	2.6
Norway.....	2.4	1.1
Switzerland.....	1.1	.7
Italy.....	1.4	—
Austria.....	.9	—
France.....	.8	—
Others.....	.4	.7
TOTAL.....	<u>69.9</u>	<u>118.9</u>

^{*}Source: Board of Grain Commissioners for Canada.
Figures subject to revision.

Western Germany was the largest buyer of Canadian barley in 1952-53, followed by the United States, Japan, the United Kingdom and Belgium. Lesser quantities went to Korea, the Netherlands, Denmark, Norway and Switzerland.

Exports of barley continued in good volume during August, September and October, 1953 and played an important part in the closing of the Pool.

Of overseas clearances of barley, 15.6 million bushels were from Pacific Coast ports, 74.4 million bushels from St. Lawrence ports, and 4.6 million bushels from Maritime ports.

During the crop year the Board sold 117.7 million bushels of barley in the futures market and 58.5 million bushels were sold on a flat basis.

The Board's monthly average quoted prices for No. 3 C.W. Six-Row Barley and No. 1 Feed Barley are shown in the following table:

	No. 3 C.W. Six-Row Barley	No. 1 Feed Barley
	(cents per bushel)	
August, 1952.....	148½	126¼
September.....	153⅞	131⅞
October.....	157	138
November.....	145⅜	139⅜
December.....	133	122¼
January, 1953.....	135	118¾
February.....	135¼	119½
March.....	137	122¼
April.....	127	118½
May.....	125⅞	122
June.....	124	122⅜
July.....	118¼	114¼
August.....	126⅞	112⅞
September.....	123⅞	104⅞
October.....	113⅞	94⅞

In the first quarter of the crop year barley prices were relatively high and reflected the keen demand for both malting and feed grades of barley. Sharp declines in Board selling prices occurred in December, after which prices remained steady until March. In April a sharp break occurred in selling prices for malting grades of barley and a lesser decline took place in the Board's selling prices for feed grades.

Barley prices again declined sharply in the final month of the crop year. Prices for malting grades strengthened considerably in August and September, 1953 but declined sharply in October, 1953. The decline in Board selling prices for feed grades of barley which occurred in July, 1953 continued in the succeeding three months, October prices for No. 1 Feed Barley averaging 94⅞c per bushel.

2. Board Operating Costs—1952-53 Barley Pool

Carrying charges in country and terminal elevators were \$5,931,389.89. Handling, stop-off and diversion charges (principally incurred in handling barley through Prince Rupert) amounted to \$155,742.04. Brokerage and Clearing House charges were \$31,288.98, while Board administrative and general expenses amounted to \$461,400.21. On producers' marketings of 164,886,884.1 bushels, administrative and general expenses amounted to .27983 cent per bushel.

Interest and bank charges resulted in a net credit item of \$36,154.64 and grade adjustments, drying and reconditioning charges, etc. showed a net credit balance of \$851,384.12. Freight recovery on export barley amounted to \$334,628.05. This

item consisted of freight recoveries on export barley shipped to Pacific Coast ports.

Net operating costs applicable to the 1952-53 Barley Pool were \$5,357,654.31.

15. Payment Division

The following table shows the major payments completed during the crop year 1952-53:

<u>Account</u>	<u>Date first Cheques Mailed</u>	<u>Date Completed</u>	<u>Number of Cheques Issued</u>	<u>Total Value of Cheques Issued</u>
1951 Final Payment—Wheat.....	Nov. 20/52	Dec. 31/52	412,650	\$114,585,112.68
1952 Adjustment Payment—Wheat.....	Mar. 30/53	Apr. 28/53	319,272	61,124,386.63
1951 Final Payment—Oats.....	Oct. 15/52	Oct. 31/52	174,770	24,746,258.79
1951 Final Payment—Barley.....	Oct. 29/52	Nov. 15/52	183,555	19,241,174.36
1952 Adjustment Payment—Barley.....	Apr. 29/53	May 7/53	157,850	14,467,203.86
			<u>1,248,097</u>	<u>\$234,164,136.32</u>

In addition, the Payment Department issued 417 cheques (value \$32,547.47) applicable to the 1940, 1941, 1942, 1943 and 1944 wheat accounts and 8,655 cheques (value \$543,309.63) covering adjustment payments and the final payment applicable to the 1945-49 Pool.

In addition to the enforcement of the Act and Regulations, the Board dealt with all legal matters affecting the Board and assisted the Payment Department in connection with estates of deceased producers.

16. Legal Department

During 1952-53 the work of the Legal Department centered on the enforcement of the Act and Regulations thereunder. There was a substantial increase in infractions of grain delivery regulations which resulted in a sharp increase in investigations and prosecutions. While 952 prosecutions were launched during the crop year, about one-third of these involved producers and agents at a limited number of delivery points where infractions of delivery regulations were general.

17. Staff and Officers

The following table shows the number of employees of the Board on July 31, 1952 and July 31, 1953:

	<u>July 31 1952</u>	<u>July 31 1953</u>
Head Office, Winnipeg.....	669	656
Calgary, Alberta.....	35	33
Vancouver, B.C.....	18	18
London, England.....	4	4
Washington, D.C.....	2	2
Montreal, Quebec.....	—	2
TOTAL.....	<u>728</u>	<u>715</u>

On July 31, 1953 the Board had 715 employees as compared with 728 on July 31, 1952. During the year the Board opened an office in Montreal to assist in the forwarding and exporting of grain.

18. The Canadian Wheat Board

Mr. W. Earle Robertson, formerly Assistant General Manager, Federal Grain Limited, was appointed as Commissioner of the Board in November, 1953. With Mr. Robertson's appointment the membership of the Board was increased from three to four Commissioners.

19. Advisory Committee

In 1952-53 two meetings of the Advisory Committee were held. Members of the Advisory

Committee during 1952-53 were: L. Hutchinson (Chairman), Calgary, Alberta; D. I. Walker, Toronto, Ontario; K. A. Powell, Winnipeg, Manitoba; F. H. Clendenning, Vancouver, B.C.; J. Theo Roy, Montreal, Quebec; J. H. Wesson, Regina, Saskatchewan; R. C. Brown, Winnipeg, Manitoba; F. Pettypiece, Auld, Ontario; J. A. McCowan, Victoria, B.C.; P. Farnalls, Halkirk, Alberta; R. R. Emerson, Winnipeg, Manitoba.

20. Acknowledgment

In the marketing operations described in this Report, the Board desires to record the co-operation and continuous assistance of the Grain Division of the Department of Trade and Commerce, and the Canadian Trade Commissioner Service.

PART II

FINANCIAL STATEMENTS

The financial statements of The Canadian Wheat Board for the crop year ended July 31, 1953 are presented in this section of the Report and consist of a Consolidated Balance Sheet (Exhibit I) which sets forth the financial position of the Board as at the foregoing date, together with other statements showing the results of Board operations to the close of the crop year, all as tabulated in the index preceding the financial statements and as discussed in Part I of this Report.

In order to expedite the issuance of final payments to producers and under the provisions of Section 29 of The Canadian Wheat Board Act, the 1952-53 Pool Accounts for oats and barley were closed on October 9 and October 30, 1953 respectively, and stocks of oats and barley remaining in these accounts as at the foregoing dates were transferred to the respective 1953-54 Pool Accounts. The following summary shows the details of the stocks of oats and barley involved in this transfer:

1952-53 Pool Accounts	Dates Accounts Closed	Stocks transferred to the 1953-54 Pool Accounts (Bushels)	(Value)
Oats.....	October 9, 1953	12,787,444.1	\$ 8,455,618.50
Barley.....	October 30, 1953	17,585,852.4	\$16,469,493.52

The 1952-53 Pool Accounts for oats and barley, therefore, have been closed and final payments have been issued to producers at the date of this Report. Consequently after considering the proximity of the closing dates of the accounts to the year-end date of July 31, 1953, operating statements for these accounts and the Consolidated Balance Sheet have been drawn up so as to include subsequent transactions from the year-end date to the closing dates indicated above in order to reflect the final operating results of the 1952-53 Pool Accounts for Oats and Barley.

Due to the large volume of wheat remaining unsold in the 1952-53 Pool Account it was decided

that it would be advisable to defer closing this account.

CONSOLIDATED BALANCE SHEET

The consolidated financial position of The Canadian Wheat Board as at July 31, 1953 including provisions for transactions subsequent thereto and relevant to the final closing of the 1952-53 Pool Accounts for Oats and Barley, is set forth in Exhibit I. With respect to some of the items appearing on the Consolidated Balance Sheet the following comments are submitted.

Funds on Deposit—\$35,587,863.70

During the crop year under review the Board was directed to issue payments to producers involving a cash distribution of \$234,164,136.32 consisting of the following:

FINAL PAYMENTS

1951-52 Pool Account—Wheat.....	\$114,585,112.68	
1951-52 Pool Account—Oats.....	24,746,258.79	
1951-52 Pool Account—Barley.....	19,241,174.36	\$158,572,545.83

ADJUSTMENT PAYMENTS

1952-53 Pool Account—Wheat.....	61,124,386.63	
1952-53 Pool Account—Barley.....	14,467,203.86	75,591,590.49
		<u>\$234,164,136.32</u>

The cash position of the Board was adequate to meet requirements for final payments, adjustment payments and current Board operations except for the periods from March 18 to March 30, 1953 and from June 4 to June 22, 1953. During these brief periods of borrowing, Board loans with the Chartered Banks reached a maximum of \$1,789,494.72 for the former period and a maximum of \$5,450,412.42 for the latter period. All Board loans had been repaid by June 23, 1953.

Stocks of Grain—\$583,970,932.11

WHEAT STOCKS

Stocks of wheat held by the Board and which had been sold but were undelivered at the year-end date amounted to 62,667,567.7 bushels. These stocks have been valued at contract prices and provision has been made for carrying charges to date of delivery.

The remaining inventory of wheat representing unsold stocks as at July 31, 1953 in store country elevators, in store terminal elevators and mills, in transit and in the custody of Agents totalled 250,194,512.4 bushels. This inventory has been valued at the Board's adjusted initial prices basis \$1.60 per bushel for No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur or Vancouver.

Stocks in the custody of Agents represent wheat provisionally invoiced to Agents of the Board and for which the Board will receive a final accounting in respect to the ultimate disposition of these stocks. The Board receives an advance from its Agents for wheat invoiced on a provisional basis and as at July 31, 1953 this advance was basis \$1.86 per bushel for No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur or Vancouver. As at July 31, 1953 advances received by the Board from its Agents totalled \$151,136,968.49 as shown in the Consolidated Balance Sheet.

OATS AND BARLEY STOCKS

Stocks of oats and barley as at July 31, 1953 in store country and terminal elevators and in transit were 46,290,651.0 bushels and 56,466,692.8 bushels respectively. Marketing operations were completed on the 1952-53 Pool Account for oats on October 9, 1953 and on the 1952-53 Pool Account for barley on October 30, 1953. The respective inventories, therefore, of oats and barley are stated in the Consolidated Balance Sheet at the values which were ultimately received from the sale of these inventories during the period from August 1, 1953 to October 9, 1953 for the oats inventory and during the period from August 1, 1953 to October 30, 1953 for the barley inventory—basis in store Fort William/Port Arthur.

Accounts Receivable—\$3,590,153.72

This item consists principally of carrying charges recoverable basis the prevailing rate of 6 cents per bushel with respect to uncompleted wheat sales contracts as at July 31, 1953 to which such carrying charge was applicable.

Grain Trade Memberships—\$19,028.98

The Canadian Wheat Board owns memberships in the Winnipeg Grain Exchange, the Vancouver Grain Exchange, The Winnipeg Grain and Produce Exchange Clearing Association Limited and the Lake Shippers' Clearance Association. These memberships are stated at cost less recorded dividends received to July 31, 1953.

The Canadian Wheat Board Building, at cost less depreciation—\$395,400.00

Under authority of Order in Council P.C. 146/2800 the Board purchased The Canadian Wheat Board Building on August 31, 1946 at a cost of \$450,000.00 for the land and buildings.

In accordance with instructions received from the Government of Canada the Board was directed to pay a grant of \$29,454.28 to the City of Winnipeg in lieu of property and business taxes on The Canadian Wheat Board Building and premises rented by the Board for the calendar year 1953, but without admitting any liability for such taxes. Of this amount, \$17,181.67 has been applied to Board operations for the period from January 1, 1953 to July 31, 1953. The balance of \$12,272.61 has been deferred and will be charged to the operations of the 1953-54 Crop Year. This balance is included in the item of \$20,598.81 as shown on the Consolidated Balance Sheet. Depreciation has been provided on the building for the year ended July 31, 1953 at the rate of 2% per annum amounting to \$7,800.00. The amounts for depreciation and taxes, namely \$7,800.00 and \$17,181.67 respectively are included in the item of \$204,366.25 as shown on Exhibit VII.

Liability to Agents—\$355,853,506.77

Grain Companies acting in the capacity of Agents of the Board accept deliveries from producers at country elevators and on behalf of the Board pay the producers basis the Board's initial price in effect. Settlement is not made by the Board for these deliveries until delivery to the Board is completed by its Agents at terminal or mill points. The liability to Agents amounting to \$355,853,506.77 represents the amount payable by the Board to its Agents for purchases from producers at country elevator points to July 31, 1953 for which delivery to and settlement by the Board will be completed subsequent to the year-end date.

Amounts Due to Producers

FINAL PAYMENTS

The amounts due to producers on outstanding participation certificates and cheques with respect to final payments on the undernoted accounts are as follows:

WHEAT	Outstanding Certificates	Outstanding Cheques	Total
1944 Crop Account.....	\$ 177,596.78	\$ 10,934.94	\$ 188,531.72
1945-49 Pool Account.....	940,774.04	190,125.90	1,130,899.94
1950-51 Pool Account.....		121,288.24	121,288.24
1951-52 Pool Account.....		784,181.14	784,181.14
	<u>1,118,370.82</u>	<u>1,106,530.22</u>	<u>2,224,901.04</u>
COARSE GRAINS			
1949-50 Pool Account—Oats.....		20,547.43	20,547.43
1949-50 Pool Account—Barley.....		19,414.19	19,414.19
1950-51 Pool Account—Oats.....		16,605.88	16,605.88
1950-51 Pool Account—Barley.....		12,244.36	12,244.36
1951-52 Pool Account—Oats.....		102,789.73	102,789.73
1951-52 Pool Account—Barley.....		72,205.47	72,205.47
		<u>243,807.06</u>	<u>243,807.06</u>
Total amount payable on final payments— wheat and coarse grains.....	<u>\$1,118,370.82</u>	<u>\$1,350,337.28</u>	<u>\$2,468,708.10</u>

During the period from August 1, 1953 to November 30, 1953 the Board paid \$609,666.77 in respect to the above liability of \$2,468,708.10.

ADJUSTMENT PAYMENTS

During the period of the 1945-49 Pool Account there were three adjustment payments authorized in respect to producers' deliveries on this account. Adjustment payments were also authorized on the 1950-51 Pool Accounts for wheat, oats and barley and on the 1951-52 Pool Accounts for wheat and barley. In respect to the crop year under review the Board was directed to issue adjustment payments to producers on wheat and barley delivered on the 1952-53 Pool Accounts. The adjustment payments applied to deliveries of wheat and barley from producers during the period from August 1, 1952 to February 28, 1953. The rates of payment for wheat were 20 cents per bushel for all grades of Spring Wheat and 25 cents per bushel for all grades of Durum Wheat. The rate of payment for barley was 15 cents per bushel for all grades. With respect to all the foregoing adjustment payments the Board still had to disburse as at July 31, 1953 the sum of \$2,546,196.01 consisting of the following:

WHEAT	Outstanding Certificates	Outstanding Cheques	Total
Balance payable on the three adjustment payments authorized on the 1945-49 Pool Account.....	\$ 805,899.20	\$ 193,192.42	\$ 999,091.62
1950-51 Pool Account.....		32,742.31	32,742.31
1951-52 Pool Account.....		61,105.18	61,105.18
1952-53 Pool Account.....		1,146,842.11	1,146,842.11
	<u>805,899.20</u>	<u>1,433,882.02</u>	<u>2,239,781.22</u>
COARSE GRAINS			
1950-51 Pool Account—Oats.....		4,884.65	4,884.65
1950-51 Pool Account—Barley.....		6,336.92	6,336.92
1951-52 Pool Account—Barley.....		19,617.08	19,617.08
1952-53 Pool Account—Barley.....		275,576.14	275,576.14
		<u>306,414.79</u>	<u>306,414.79</u>
Total amount payable on adjustment payments—wheat and coarse grains....	<u>\$ 805,899.20</u>	<u>\$1,740,296.81</u>	<u>\$2,546,196.01</u>

In the period from August 1, 1953 to November 30, 1953 the Board paid \$1,118,092.43 in respect to the above liability of \$2,546,196.01.

During the 1949-50 Crop Year The Canadian Wheat Board Act was amended to give the Board authority to make payments to producers without requiring producers to surrender the producer's certificates to the Board as claim for payment. Under this authority the Board completed from its own records the issuance of cheques for the final payments on—

- (a) the 1949-50 Pool Accounts for Oats and Barley;
- (b) the 1950-51 Pool Accounts for Wheat, Oats and Barley;
- (c) the 1951-52 Pool Accounts for Wheat, Oats and Barley;

and for the adjustment payments on:

- (a) the 1950-51 Pool Accounts for Wheat, Oats and Barley;
- (b) the 1951-52 Pool Accounts for Wheat and Barley;
- (c) the 1952-53 Pool Accounts for Wheat and Barley.

As a consequence the only liability of the Board relevant to these payments is in respect to cheques which have been issued to producers, but which have not been presented to the Board for payment.

Other Accounts

EMERGENCY WHEAT RECEIPTS

As at July 31, 1953 there were still some cheques in the hands of producers which had been issued in payment of Emergency Wheat Receipts on both the 1945 and 1946 Crop Accounts and which had not been presented to the Board for payment. The details of these cheques are as follows:

1945 Crop Account (two cheques).....	\$1,159.41
1946 Crop Account (one cheque).....	5,263.62
	<u>\$6,423.03</u>

Subsequent to the year-end the cheque outstanding on the 1946 Crop Account was presented for payment and transactions on this account have now been completed.

Payment Accounts—Undistributed Balances

During the crop year under review a number of amendments to The Canadian Wheat Board Act were passed by Parliament and one of these amendments reads as follows:

29A (1) Where producers of any grain sold and delivered during a pool period have been for six years or more entitled to receive from the Board payments in respect thereof under certificates issued pursuant to this Act or out of an equalization fund, or otherwise, and there is an undistributed balance remaining in the accounts of the Board in respect of that grain, the Governor in Council may authorize the Board

(a) to adjust its accounts

(i) by applying such undistributed balance in payment of the expenses of distribution of the balance mentioned in subsection (2) of section 26 with respect to the same kind of grain in any earlier pool period, and

(ii) by transferring the remainder of the undistributed balance to a separate account; and

(b) to pay to the persons who are entitled to receive payments in respect of that grain the amount to which they are entitled out of the undistributed balance remaining in the accounts of the Board in respect of the same kind of grain for the earliest pool period for which there is an undistributed balance.

(2) Any balance transferred to the separate account pursuant to subparagraph (ii) of paragraph (a) of subsection (1) shall be used for such purposes as the Governor in Council, upon the recommendation of the Board, may deem to be for the benefit of producers.

In accordance with the provisions of this amendment and Order in Council P.C. 1953-1704, November 4, 1953 the Board transferred to a special account as at July 31, 1953 the following sums relevant to wheat, oats and barley:

Wheat.....	\$237,507.11
Oats.....	137,639.60
Barley.....	78,850.03
	<u>\$453,996.74</u>

The following table sets forth the details of the amounts involved in this transfer:

	Outstanding Producers' Certificates	Outstanding Cheques	Reserve for Payment Expenses	Balance as at July 31, 1953
WHEAT				
1940 Crop Account.....	\$ 77,513.23	\$ 5,802.71	(\$116,724.62)	(\$ 33,408.68)
1941 Crop Account.....	34,775.34	2,548.83	(71,735.35)	(34,411.18)
1942 Crop Account.....	38,167.66	4,100.08	(75,893.32)	(33,625.58)
1943 Crop Account.....	158,508.00	9,351.13	171,093.42	338,952.55
	<u>308,964.23</u>	<u>21,802.75</u>	<u>(93,259.87)</u>	<u>237,507.11</u>
OATS				
EQUALIZATION PAYMENTS				
1942 Crop Account.....		3,157.25	35,565.81	38,723.06
1943 Crop Account.....		8,616.54	90,300.00	98,916.54
		<u>11,773.79</u>	<u>125,865.81</u>	<u>137,639.60</u>
BARLEY				
EQUALIZATION PAYMENTS				
1942 Crop Account.....		1,277.51	20,179.64	21,457.15
1944 Crop Account.....		5,995.49	46,549.95	52,545.44
ADJUSTMENT PAYMENTS				
1946 Crop Account.....		2,992.50	1,854.94	4,847.44
		<u>10,265.50</u>	<u>68,584.53</u>	<u>78,850.03</u>
	<u>\$308,964.23</u>	<u>\$43,842.04</u>	<u>\$101,190.47</u>	<u>\$453,996.74</u>

The total amount of \$453,996.74 is shown on the Consolidated Balance Sheet as "Payment Accounts—Undistributed Balances".

Other amounts shown as due to producers consist entirely of outstanding cheques in the hands of producers which were issued in respect to payments resulting from operations conducted by the Board under The Canadian Wheat Board Act, other than the marketing of producers' grain.

Accrued Expenses and Accounts

Payable—\$7,295,201.47

This item comprises in the main sundry accounts unpaid as at July 31, 1953 together with accrued carrying charges, storage charges, etc. to that date, plus provisions for all charges on the 1952-53 Pool Accounts for Oats and Barley from the year-end date to the dates subsequent thereto on which marketing operations on these two accounts were completed.

STATEMENT OF OPERATIONS

Wheat Division

1952-53 POOL ACCOUNT

The operations of the Board on the 1952-53 Pool Account to July 31, 1953 resulted in a surplus of \$70,223,769.07 as set forth in Exhibit II.

This surplus has been determined after valuing unsold stocks of wheat on hand at July 31, 1953 at the Board's adjusted initial prices basis \$1.60 per bushel for No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur or Vancouver, but without provision for carrying costs, interest, etc. beyond the close of the fiscal year. *The indicated surplus, therefore, should not be viewed as to the final amount available for distribution to producers.*

In terms of Orders in Council P.C. 1953-216 and P.C. 1953-218, February 19, 1953 the initial price to be paid to producers for No. 1 Manitoba Northern Wheat and No. 1 Canada Western Amber Durum Wheat was increased respectively from \$1.40 per bushel to \$1.60 per bushel and from \$1.40 per bushel to \$1.65 per bushel, basis in store Fort William/Port Arthur or Vancouver. The increased initial prices became effective in respect to deliveries by producers at country elevators on and after March 2, 1953. In terms of these same Orders and Orders in Council P.C. 1953-217, February 19, 1953; P.C. 1953-330, March 5, 1953 and P.C. 1953-543, April 9, 1953

the Board was directed to pay to producers who delivered wheat to the Board during the period from August 1, 1952 to February 28, 1953 the sum of 20 cents per bushel for all grades of Spring Wheat and the sum of 25 cents per bushel for all grades of Durum Wheat in order to equalize the initial price to producers for the 1952-53 Crop Year to the new and higher level of \$1.60 per bushel for No. 1 Manitoba Northern Wheat and \$1.65 for No. 1 Canada Western Amber Durum Wheat, basis in store Fort William/Port Arthur or Vancouver. The total amount of this adjustment payment, together with the expenses incident to its distribution have been included in the computation of the surplus to July 31, 1953.

Subsequent to the year-end date and under the provisions of Section 26 (3) of The Canadian Wheat Board Act and Order in Council P.C. 1953-1479, September 24, 1953 the Board was directed to pay to producers who delivered wheat to the Board during the period from August 1, 1952 to July 31, 1953 an interim payment of 12 cents per bushel on the 1952-53 Pool Account. The Board commenced mailing cheques to producers for this payment on September 25, 1953 and the operation was completed on November 2, 1953. This payment totalled \$63,961,815.36 and is not provided for in the accounts.

Oats and Barley Division

Under the authority of The Canadian Wheat Board Act and Order in Council P.C. 3381, June 23, 1952 the Board was authorized to purchase from producers during the 1952-53 Crop Year oats and barley produced in the designated area and to pay to producers a fixed initial price of 65 cents per bushel for No. 2 Canada Western Oats and a fixed initial price of 96 cents per bushel for No. 3 Canada Western Six-Row Barley, both prices basis in store Fort William/Port Arthur. Marketing operations on the 1952-53 Pool Account

for oats were completed on October 9, 1953 and on the 1952-53 Pool Account for barley on October 30, 1953. These operations resulted in surpluses of \$11,129,423.21 and \$21,708,389.50 respectively. The operating statements for these two accounts to July 31, 1953 have been drawn up so as to reflect the final surpluses realized to the dates on which marketing operations were completed. The inventories of oats and barley at July 31, 1953 are stated at the ultimate values which were received from the sale of these inventories subsequent to the year-end date and provision has been made in the accounts as at July 31, 1953 for carrying charges, storage charges, interest and all other charges incident to the completion of marketing operations on the dates indicated. In accordance with the provisions of Order in Council P.C. 1953-215, February 19, 1953 the initial price to be paid to producers for No. 3 Canada Western Six-Row Barley was increased from 96 cents per bushel to \$1.11 per bushel, basis in store Fort William/Port Arthur. This increase in the initial price became effective in respect to deliveries by producers at country elevators on and after March 2, 1953. In terms of this same Order and Order in Council P.C. 1953-329, March 5, 1953 the Board was directed to pay the sum of 15 cents per bushel to each producer who delivered barley to the Board during the period from August 1, 1952 to February 28, 1953 in order to equalize the initial price to producers for the 1952-53 Crop Year to the new and higher level of \$1.11 per bushel for No. 3 Canada Western Six-Row Barley, basis in store Fort William/Port Arthur. The total amount of this adjustment payment, together with the expenses incident to its distribution have been included in determining the final surplus resulting from operations on the 1952-53 Pool Account—Barley.

The amounts available for final payments to producers on the 1952-53 Pool Accounts for oats and barley were \$10,949,996.58 and \$21,408,203.67 respectively, computed as follows:

	Oats	Barley
Surplus on operations for the period from—		
August 1, 1952 to October 9, 1953.....	\$11,129,423.21	
August 1, 1952 to October 30, 1953.....		\$21,708,389.50
Add: Interest on the surplus for the period from—		
October 10, 1953 to November 17, 1953.....	5,351.19	
October 31, 1953 to December 7, 1953.....		10,169.79
	<u>\$11,134,774.40</u>	<u>\$21,718,559.29</u>
Deduct: Estimated cost of issuing final payment to producers	74,171.79	94,111.14
Prairie Farm Assistance Act levy.....	110,606.03	216,244.48
	<u>184,777.82</u>	<u>310,355.62</u>
Amount payable to producers.....\$	<u><u>10,949,996.58</u></u>	<u><u>\$21,408,203.67</u></u>

During the period of marketing operations the average price realized on the sale of No. 2 Canada Western Oats basis in store Fort William/Port Arthur was 78.031 cents per bushel, and the average price realized on the sale of No. 3 Canada Western Six-Row Barley basis in store Fort William/Port Arthur was \$1.28837 per bushel. The final payment price for the foregoing grade of oats and of barley was 9.028 cents per bushel and 13.357 cents per bushel respectively, computed as follows:

	No. 2 Canada Western Oats	No. 3 Canada Western Six-Row Barley
	\$	\$
Average realized sales price.....	.78031	1.28837
Less: Initial payment or adjusted initial payment to producers.....	.65	1.11
	<u>.13031</u>	<u>.17837</u>
Less: Cost per bushel for carrying charges, interest, administrative expenses, etc.....	.03912	.04346
	<u>.09119</u>	<u>.13491</u>
Less: Prairie Farm Assistance Act levy at 1%.....	.00091	.00134
	<u>.09028</u>	<u>.13357</u>
Final payment to producers.....	<u>.09028</u>	<u>.13357</u>
	<u>9.028 cents</u>	<u>13.357 cents</u>

Payments on grades other than No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley varied according to the fixed initial discounts under No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was purchased from producers and the average of the premiums or discounts in relation to No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was sold.

Order in Council P.C. 1292 of April 3, 1947 provided that oats and barley stocks, whole or processed, in commercial channels in Canada as at March 17, 1947 be vested in the Board.

Transactions in oats and barley acquired under the terms of this Order resulted in a surplus of \$6,644,304.92 to July 31, 1953. In terms of the Order this surplus is payable to the Consolidated Revenue Fund of the Government of Canada and

an amount of \$6,324,789.99 was remitted to Ottawa on March 31, 1948. Subject to interest and other adjustments beyond the close of the crop year under review the balance of the surplus amounting to \$319,514.93 as shown on Exhibit I will be paid to the Government of Canada as required by the Order.

Schedule of Administrative and General Expenses—Exhibit VII

The total expenditures under this heading for the year under review amounted to \$2,719,781.51 comprising expenses incurred at the Winnipeg, Calgary, Vancouver, Montreal, London (England) and Washington (D.C.) offices of the Board. Details of these expenditures and the allocations to Board operations and to operations conducted by the Board on behalf of the Government of Canada are set forth in Exhibit VII.

In accordance with instructions issued by the Board of Grain Commissioners for Canada a change was instituted in the recording of grain transactions whereby, effective from August 1, 1953, grain transactions would be recorded in bushels and tenths of a bushel instead of in bushels and pounds as formerly. The financial statements of The Canadian Wheat Board for the year ended July 31, 1953 which follow have been drawn up so as to give effect to this new method of recording.

The Report of the Board's Auditors on the financial statements for the year ended July 31, 1953 is contained in Part III of this Report.

In this Report and in the financial statements we have endeavoured to describe the administration of policy with respect to wheat, oats and barley for the year ended July 31, 1953.

In conclusion we would like to record our appreciation for the loyal and conscientious service rendered by the officers and staff of the Board.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTSON,
Commissioner

Winnipeg, Manitoba,
December 21, 1953.

THE CANADIAN WHEAT BOARD
INDEX TO FINANCIAL STATEMENTS
31st July 1953

- Exhibit I. Consolidated Balance Sheet.*
- Exhibit II. Statement of Operations, 1952-53 Pool Account—Wheat.*
- Exhibit III. Statement of Operations, 1952-53 Pool Account—Oats.*
- Exhibit IV. Statement of Operations, 1952-53 Pool Account—Barley.*
- Exhibit V. Statement of Payments to Producers.*
- Exhibit VI. Statement of Provisions for Final Payment Expenses.*
- Exhibit VII. Schedule of Administrative and General Expenses and Allocations to Operations for the year ended 31st July 1953.*

THE CANADIAN
CONSOLIDATED
As at 31st March 1934

A S S E T S

Funds on deposit.....		\$ 35,587,863.
Stocks of grain:		
Wheat stocks—stated at contract prices basis in store Fort William/Port Arthur or Vancouver.....	\$114,367,239.23	
Wheat stocks—stated at fixed initial prices basis in store Fort William/Port Arthur or Vancouver.....	<u>379,100,799.35</u>	
	493,468,038.58	
Oat stocks—stated at the ultimate value received from the sale thereof basis in store Fort William/Port Arthur.....	31,749,911.33	
Barley stocks—stated at the ultimate value received from the sale thereof basis in store Fort William/Port Arthur....	<u>58,752,982.20</u>	583,970,932.
Accounts receivable.....		3,590,153.
Memberships—In the Winnipeg and Vancouver Grain Exchanges, the Winnipeg Grain and Produce Exchange Clearing Association Limited and the Lake Shippers' Clearance Association.....		19,028.
The Canadian Wheat Board Building, Winnipeg, at cost less depreciation.....		395,400.
Deferred and prepaid expenses.....		20,598.
Office furniture, equipment and automobiles, at cost less depreciation.....		<u>101,440.</u>
		<u>\$623,685,417.</u>

Approved:

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTSON,
Commissioner

WHEAT BOARD BALANCE SHEET 1953

LIABILITIES

Liability to Agents for grain purchased from Producers but not yet delivered to the Board.....		\$355,853,506.77
Advances received on Agency wheat stocks.....		151,136,968.49
Accounts due to Producers:		
Outstanding certificates and cheques:		
Balance of final payments — Wheat.....	\$ 2,224,901.04	
— Coarse Grains.....	243,807.06	
Balance of adjustment payments — Wheat.....	2,239,781.22	
— Coarse Grains.....	306,414.79	5,014,904.11
Other accounts:		
Emergency wheat receipts.....	6,423.03	
Payment Accounts—Undistributed Balances.....	453,996.74	
Balance outstanding on other operations of the Board under The Canadian Wheat Board Act.....	26,130.62	486,550.39
Accrued expenses and accounts payable.....		7,295,201.47
Provisions for final payment expenses.....		517,189.77
Due to the Government of Canada.....		319,514.93
Plus resulting from operations:		
1952-53 Pool Account — Wheat.....	70,223,769.07	
1952-53 Pool Account — Oats.....	11,129,423.21	
1952-53 Pool Account — Barley.....	21,708,389.50	103,061,581.78
		<u>\$623,685,417.71</u>

This is the Consolidated Balance Sheet which is referred to in our report of this date.

Winnipeg, Manitoba,
at December 1953.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

THE CANADIAN
1952-53 POOL
STATEMENT
For the year ended

Wheat acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....
Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....
Purchased from 1951-52 Pool Account — Wheat.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:
Domestic.....
Export sales at Class II prices.....
Export sales under the terms of the International Wheat Agreement.....
Weight losses in transit and in drying and reconditioning.....

Uncompleted sales at contract prices basis in store Fort William/Port Arthur or Vancouver:
Domestic.....
Export sales at Class II prices.....
Export sales under the terms of the International Wheat Agreement.....

Add: Net amount recovered for storage, interest and differential charges.....

Net proceeds from sales.....

Stocks of wheat — stated at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

Surplus on wheat transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on wheat stored in country elevators.....
Storage on wheat stored in terminal elevators.....
Interest and bank charges, etc.....
Net additional freight on wheat shipped from country stations to terminal positions.....
Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....
Drying and reconditioning charges, etc.....
Administrative and general expenses to 31st July 1953.....

Surplus on operations of the Board on 1952-53 Pool Account — Wheat, for the year ended
31st July 1953.....

WHEAT BOARD

Account - Wheat

OPERATIONS

1st July 1953

Bushels		Amount	
3,015,077.0		\$818,252,922.91	
2,080,211.3		2,925,522.79	
3,208,409.5	<u>638,303,697.8</u>	<u>167,196,571.92</u>	\$ 988,375,017.62
6,097,874.5			
8,293,416.7			
1,032,902.7			
17,423.8	325,441,617.7	\$583,694,584.18	
9,253,634.3			
6,218,558.6			
7,195,374.8	62,667,567.7	114,367,239.23	
		<u>9,731,455.43</u>	
		707,793,278.84	
	<u>250,194,512.4</u>	<u>379,100,799.35</u>	1,086,894,078.19
	<u>638,303,697.8</u>		98,519,060.57
		18,130,742.39	
	<u>4,898,874.35</u>	23,029,616.74	
		2,976,038.10	
		152,327.84	
		537,252.29	
		203,176.23	
		<u>1,396,880.30</u>	<u>28,295,291.50</u>
			\$ <u>70,223,769.07</u>

THE CANADIAN
1952-53 POOL
STATEMENT
For the crop year
(Including provision for losses)

Oats acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....
Oats otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....
Purchased from 1951-52 Pool Account — Oats.....

Oats sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying and reconditioning.....

Net proceeds from sales.....

Stocks of oats—stated at the ultimate value received from the sale thereof, basis in store
Fort William/Port Arthur.....

Surplus on oats transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 9th October 1953)

Carrying charges:

Carrying charges on oats stored in country elevators.....
Storage on oats stored in terminal elevators.....

Interest and bank charges.....

Freight recovered on shipments of oats to Vancouver for export.....

Drying, reconditioning charges, grade adjustments, etc.....

Brokerage and Clearing Association charges.....

Administrative and general expenses to 31st July 1953.....

Add: Proportion of administrative and general expenses for the period from
1st August 1953 to 9th October 1953.....

Surplus on operations of the Board on 1952-53 Pool Account — Oats, for the crop year ended
31st July 1953.....

HEAT BOARD

count - Oats

ERATIONS

led 31st July 1953

sactions to 9th October 1953)

Bushels		Amount	
8,967,962.5		\$71,335,991.59	
485.0		283.68	
7,396,603.9	<u>136,365,051.4</u>	<u>13,190,335.98</u>	\$84,526,611.25
0,073,570.2		67,769,059.57	
830.2		—	
0,074,400.4		67,769,059.57	
6,290,651.0	<u>136,365,051.4</u>	<u>31,749,911.33</u>	<u>99,518,970.90</u>
			14,992,359.65
	\$3,239,507.55		
	<u>193,493.03</u>	3,433,000.58	
		(21,088.13)	
		(50,968.70)	
		163,000.36	
		28,718.74	
	252,530.33		
	<u>57,743.26</u>	<u>310,273.59</u>	<u>3,862,936.44</u>
			<u>\$11,129,423.21</u>

THE CANADIAN
1952-53 POOL
STATEMENT
For the Crop Year
(Including provision for losses)

Barley acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....
Barley otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....
Purchased from 1951-52 Pool Account — Barley.....

Barley sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying and reconditioning.....
Net proceeds from sales.....

Stocks of barley — stated at the ultimate value received from the sale thereof, basis in store
Fort William/Port Arthur.....

Surplus on barley transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(Including provision for expenses to 30th October 1953)

Carrying charges:

Carrying charges on barley stored in country elevators.....
Storage on barley stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of barley to Vancouver for export.....
Handling, stop-off and diversion charges, etc.....
Grade adjustments, drying and reconditioning charges, etc.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1953.....

Add: Proportion of administrative and general expenses for the period from
1st August 1953 to 30th October 1953.....

Surplus on operations of the Board on 1952-53 Pool Account — Barley, for the crop year
ended 31st July 1953.....

THE CANADIAN
STATEMENT OF FINAL ACCOUNTS
As At

Final Payments:

Wheat:

1944 Crop Wheat Account.....
1945-49 Pool Account.....
1950-51 Pool Account.....
1951-52 Pool Account.....

Coarse Grains:

1949-50 Pool Account — Oats.....
1949-50 Pool Account — Barley.....
1950-51 Pool Account — Oats.....
1950-51 Pool Account — Barley.....
1951-52 Pool Account — Oats.....
1951-52 Pool Account — Barley.....

Total — Final Payments.....

Adjustment Payments:

Wheat:

1945-49 Pool Account.....
1950-51 Pool Account.....
1951-52 Pool Account.....
1952-53 Pool Account.....

Coarse Grains:

1950-51 Pool Account — Oats.....
1950-51 Pool Account — Barley.....
1951-52 Pool Account — Barley.....
1952-53 Pool Account — Barley.....

Total — Adjustment Payments.....

Total — all Accounts.....

EAT BOARD USTMENT PAYMENTS 1953

Total Amounts Payable to Producers	Cheques Cashd by Producers to 31st July 1953	Balances Payable to Producers as at 31st July 1953
66,019,001.69	\$ 65,830,469.97	\$ 188,531.72
19,075,039.68	117,944,139.74	1,130,899.94
104,933,267.56	104,811,979.32	121,288.24
14,585,112.68	113,800,931.54	784,181.14
<u>404,612,421.61</u>	<u>402,387,520.57</u>	<u>2,224,901.04</u>
15,546,322.39	15,525,774.96	20,547.43
26,643,973.33	26,624,559.14	19,414.19
9,639,421.43	9,622,815.55	16,605.88
15,112,054.03	15,099,809.67	12,244.36
24,746,258.79	24,643,469.06	102,789.73
19,241,174.36	19,168,968.89	72,205.47
<u>10,929,204.33</u>	<u>110,685,397.27</u>	<u>243,807.06</u>
<u>15,541,625.94</u>	<u>\$ 513,072,917.84</u>	<u>\$2,468,708.10</u>
88,564,143.02	\$ 387,565,051.40	\$ 999,091.62
49,629,262.54	49,596,520.23	32,742.31
47,681,245.77	47,620,140.59	61,105.18
61,124,386.63	59,977,544.52	1,146,842.11
<u>46,999,037.96</u>	<u>544,759,256.74</u>	<u>2,239,781.22</u>
5,707,963.15	5,703,078.50	4,884.65
11,173,606.63	11,167,269.71	6,336.92
13,600,641.70	13,581,024.62	19,617.08
14,467,203.86	14,191,627.72	275,576.14
<u>44,949,415.34</u>	<u>44,643,000.55</u>	<u>306,414.79</u>
<u>91,948,453.30</u>	<u>\$ 589,402,257.29</u>	<u>\$2,546,196.01</u>
<u>7,490,079.24</u>	<u>\$1,102,475,175.13</u>	<u>\$5,014,904.11</u>

THE CANADIAN
STATEMENT OF PROVISIONS
To

	Original Provisions	Payment C and Othe Adjustment 31st July 1
Marketing of Producers' Grain:		
Wheat:		
1944 Crop Wheat Account.....	\$ 552,500.00	\$ 323,98
1945-49 Pool Account.....	450,052.01	401,43
1950-51 Pool Account.....	225,907.74	260,56
1951-52 Pool Account.....	262,601.16	—
	<u>1,491,060.91</u>	<u>985,97</u>
Coarse Grains:		
1949-50 Pool Account — Oats.....	81,867.67	54,43
1949-50 Pool Account — Barley.....	88,713.98	61,29
1950-51 Pool Account — Oats.....	59,846.99	56,77
1950-51 Pool Account — Barley.....	63,076.03	58,21
1951-52 Pool Account — Oats.....	86,315.60	—
1951-52 Pool Account — Barley.....	78,000.10	—
	<u>457,820.37</u>	<u>230,70</u>
Total — Producers' Grain.....	<u>\$1,948,881.28</u>	<u>\$1,216,68</u>
Other operations under The Canadian Wheat Board Act:		
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292.....	\$ 55,095.30	\$ 61,39
1947 Crop Oats and Barley Equalization Funds—P.C. 1891 and 5207	71,757.74	50,65
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	24,496.02	21,85
	<u>151,349.06</u>	<u>133,89</u>
Total — all Accounts.....	<u>\$2,100,230.34</u>	<u>\$1,350,58</u>

HEAT BOARD R FINAL PAYMENT EXPENSES 1953

ment Costs ar Ended July 1953	Exchange, Commissions and Other Adjustments 1952-53 Year	Balance of Original Provisions	Net Interest Credits on Surplus Funds to 31st July 1953	Balance as at 31st July 1953
1,524.97	\$ 25.87	\$226,966.28	\$ 9,037.34	\$236,003.62
1,048.23	851.14	16,718.40	79,192.89	95,911.29
1,121.65	3.53	(45,779.26)	45,529.66	(249.60)
5,635.97	143,969.37	12,995.82	50,032.38	63,028.20
9,330.82	144,849.91	210,901.24	183,792.27	394,693.51
1,187.86	10.36	26,233.79	1,982.13	28,215.92
973.24	7.97	26,442.27	2,809.82	29,252.09
5,883.00	35.34	(2,841.77)	4,221.82	1,380.05
4,987.43	43.14	(165.33)	5,430.99	5,265.66
2,809.07	31,717.55	1,788.98	7,835.98	9,624.96
4,444.44	25,337.02	1,218.64	6,454.91	7,673.55
7,285.04	57,151.38	52,676.58	28,735.65	81,412.23
6,615.86	\$202,001.29	\$263,577.82	\$212,527.92	\$476,105.74
178.07	\$.39	(\$ 6,473.78)	\$ 9,528.56	\$ 3,054.78
3,003.17	2.26	20,098.69	14,810.10	34,908.79
—	.61	2,640.45	480.01	3,120.46
3,181.24	3.26	16,265.36	24,818.67	41,084.03
7,797.10	\$202,004.55	\$279,843.18	\$237,346.59	\$517,189.77

**THE CANADIAN
SCHEDULE OF ADMINISTRATIVE
AND ALLOCATION
For the year ended**

Administrative and general expenses:

Salaries — Board members, officers and staff.....	\$1,802,390
Unemployment insurance.....	16,246
Advisory Committee — travelling expenses and per diem allowance.....	2,914
Rental and lighting of offices, including maintenance of The Canadian Wheat Board Building, Winnipeg.....	204,366
Telephone — exchange service and long distance calls.....	40,939
Telegrams and cables.....	34,372
Postage.....	75,928
Printing, stationery and supplies.....	140,010
Office expenses.....	12,411
Travelling expenses.....	28,238
Travelling expenses — Inspectors.....	33,855
Legal fees and court costs.....	983
Audit fees.....	63,500
Tabulating equipment — rental and sundries.....	120,309
Repairs and upkeep of office machinery and equipment.....	3,979
Grain market publications and services.....	4,124
Bonds and insurance.....	3,092
Grain Exchange dues.....	2,500
Express, freight and cartage on stationery, etc.....	17,048
Depreciation on furniture, equipment and automobiles.....	21,175
Contribution to Pension Fund, actuarial and other expenses.....	91,393
Total administrative and general expenses for the year ended 31st July 1953.....	<u>\$2,719,781.</u>

WHEAT BOARD
GENERAL EXPENSES
OPERATIONS
July 1953

Contributions to operations:

Marketing Producers' grain (including cost of distributing adjustment payments):

1952-53 Pool Account — Wheat.....	\$1,396,880.30	
1952-53 Pool Account — Oats.....	252,530.33	
1952-53 Pool Account — Barley.....	389,140.32	
1951-52 Pool Account — Wheat.....	318,921.39	
1951-52 Pool Account — Oats.....	44,642.81	
1951-52 Pool Account — Barley.....	45,241.63	\$2,447,356.78

Distributing final payments to Producers:

(a) Wheat:

1951-52 Pool Account.....	105,635.97	
1950-51 Pool Account.....	11,121.65	
1945-49 Pool Account.....	31,048.23	
1944 Crop Account.....	1,524.97	
1943 Crop Account.....	1,680.68	
1942 Crop Account.....	672.00	
1941 Crop Account.....	566.01	
1940 Crop Account.....	1,387.80	153,637.31

(b) Coarse Grains:

1951-52 Pool Account — Oats.....	52,809.07	
1951-52 Pool Account — Barley.....	51,444.44	
1950-51 Pool Account — Oats.....	5,883.00	
1950-51 Pool Account — Barley.....	4,987.43	
1949-50 Pool Account — Oats.....	1,187.86	
1949-50 Pool Account — Barley.....	973.24	117,285.04

Other operations under The Canadian Wheat Board Act:

1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	1,003.17	
1947 Crop Oats and Barley Adjustment Payment — P.C. 3375.....	159.20	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292....	178.07	
1944 Crop Barley Equalization Fund — P.C. 5998.....	65.80	
1943 Crop Oats Equalization Fund — P.C. 4450 and 8898....	96.14	1,502.38
		<u>\$2,719,781.51</u>

PART III
AUDITORS' REPORT

MILLAR, MACDONALD & CO.

CHARTERED ACCOUNTANTS

The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board for the crop year ended 31st July 1953, and have examined the Consolidated Balance Sheet as at 31st July 1953 and the related statements of operations and supporting schedules for the crop year ended on that date. We have obtained all the information and explanations which we have required from the members of the Board and its officers and employees.

Our examination was conducted in accordance with generally accepted auditing principles and included such tests of the accounting records and such other procedures as we considered necessary in view of the system of internal accounting control maintained by the Board.

Funds on deposit were confirmed by direct correspondence with the depositaries. Stocks of grain are correctly stated in terms of the valuation bases indicated on the Consolidated Balance Sheet and as explained in Part II of the Report of the Board. The liability for charges incident to the realization of wheat stocks stated at contract prices and oats and barley stocks is included in accrued expenses and accounts payable. All other assets and liabilities have been verified by reference to grain records, vouchers, creditors' statements and other documents.

We have reviewed Part II of the Annual Report of the Board, which sets forth explanatory comments relating to the financial statements. In our opinion the information presented therein is accurately recorded and is in agreement with our findings in the course of audit.

In our opinion the accompanying Consolidated Balance Sheet and related statements of operations and supporting schedules are properly drawn up so as to exhibit a true and correct view of the financial position of The Canadian Wheat Board as at 31st July 1953, and the results of its operations for the 1952-53 crop year, according to the best of our information and the explanations given to us, and as shown by the books of the Board.

Winnipeg, Manitoba,
21st December 1953.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

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SUPPLEMENTARY REPORT

of

THE CANADIAN WHEAT BOARD

on the

1952-53 POOL ACCOUNT -- WHEAT

L. H. W. S.
1952-53

SUPPLEMENTARY REPORT
of
THE CANADIAN WHEAT BOARD
on the
1952-53 POOL ACCOUNT—WHEAT

Supplementary Report of The Canadian Wheat Board on the 1952-53 Pool Account—Wheat

The RIGHT HONOURABLE C. D. HOWE,
Minister of Trade and Commerce,
OTTAWA, Canada.

Sir:

The Annual Report of The Canadian Wheat Board for 1952-53 included financial statements relevant to the 1952-53 Pool Account—Wheat, as at July 31, 1953. The 1952-53 Pool Account—Wheat was closed as at January 30, 1954 and we beg to submit herewith final operating statements for this Pool.

1. Revised Receipts

Subsequent to the preparation of the Annual Report of The Canadian Wheat Board for 1952-53, minor adjustments were made in the volume of wheat received from producers and the volume of wheat otherwise acquired. Final receipts from producers were 533,016,978.9 bushels, while final receipts from others than producers were 2,110,381.9 bushels.

2. Total Wheat Stocks—1952-53 Pool

Total stocks of wheat in the 1952-53 Pool were 638,335,770.3 bushels, including 533,016,978.9 bushels delivered to the Board by producers, 2,110,381.9 bushels received by the Board from others than producers and 103,208,409.5 bushels transferred from the 1951-52 Pool as at October 24, 1952. ①

3. Inventory—July 31, 1953

On July 31, 1953 total stocks of wheat remaining in the 1952-53 Pool were 312,862,080.1 bushels against which the Board had priced open sales contracts of 62,667,567.7 bushels. At this date net unsold stocks were 250,194,512.4 bushels.

4. Sales—August 1, 1953 to January 30, 1954

From August 1, 1953 to January 30, 1954 completed sales applicable to the 1952-53 Pool Account were 164,214,590.9 bushels. On January 30, 1954 total stocks of wheat remaining in the 1952-53 Pool were 148,679,561.7 bushels against which the Board had priced open sales contracts of 21,404,291.1 bushels. At this date net unsold stocks were 127,275,270.6 bushels.

A considerable change in the world wheat situation occurred with the harvesting of large 1953 crops in North America, Europe, Asia and elsewhere. In 1953 Europe produced its largest wheat crop since World War II. Particularly large crops were harvested in the United Kingdom, France, Italy, Portugal, Austria, Sweden and Greece. European production was such that most importing countries required less imported wheat than in immediately preceding crop years. Also, as a result of the easing of international tension some European countries began to release reserve stocks of wheat for current consumption. In Asia, excellent wheat crops were harvested in Turkey, India, Syria and Iran, and North African production was substantially larger than in 1952. The favourable 1953 harvest combined with the lessening of reserve stocks had the effect of reducing the volume of wheat moving in international trade during the first half of the crop year 1953-54.

The international wheat position resulted in a more moderate demand for Canadian wheat during the first six months of 1953-54 as compared with the corresponding period of the previous crop year. The following table shows exports of wheat (including wheat flour) by months, from August to January inclusive. ②

	Million Bushels
August, 1953.....	28.4
September.....	24.2
October.....	25.7
November.....	24.4
December.....	17.8
January, 1954.....	17.8
TOTAL.....	<u>138.3</u>

①For details of this transfer see Pages 10 and 11 of the Annual Report of The Canadian Wheat Board for 1951-52.

②Source: Board of Grain Commissioners for Canada. Includes exports of Ontario Winter Wheat. Figures subject to revision.

Exports of Canadian wheat and flour for the first six months of the crop year 1953-54 amounted to 138.3 million bushels. This figure, while above average, was considerably lower than the exceptionally large exports of 190.7 million bushels in the same period of 1952-53. Despite reduced exports, Canada maintained her relative share of world exports of wheat during the first half of 1953-54.

5. Board Sales of Wheat—1952-53 Pool

From August 1, 1952 to January 30, 1954 Board sales applicable to the 1952-53 Pool Account were as follows:

	Bushels
Domestic Sales.....	63,936,796.6
Export Sales at Class II Prices.....	177,516,735.8
Export Sales under terms of the International Wheat Agreement.....	248,071,731.3
Weight losses in transit and in drying and reconditioning.....	130,944.9
	489,656,208.6
Transfer to the 1953-54 Pool Account—Wheat.....	148,679,561.7
	<u>638,335,770.3</u>

As shown in the above table, domestic sales amounted to 63,936,796.6 bushels, while Class II sales were 177,516,735.8 bushels and sales under the terms of the International Wheat Agreement totalled 248,071,731.3 bushels.*

6. Transfer of Unsold Stocks

Under provisions of Section 29 of The Canadian Wheat Board Act, the 1952-53 Pool was closed on January 30, 1954. As at that date unsold stocks of wheat and priced open sales contracts remaining in the 1952-53 Pool were transferred to the 1953-54 Pool by authority of Order in Council P.C. 1954-293, March 4, 1954.

The following table shows the principal grades of wheat (including priced open sales contracts) transferred to the 1953-54 Pool as at January 30, 1954:

Grades (including Toughs and Damps)	Total Bushels
No. 1 Northern.....	8,835,075.6
No. 2 Northern.....	81,473,316.9
No. 3 Northern.....	23,864,082.5
No. 4 Northern.....	8,733,077.9
No. 5 Wheat.....	10,490,950.8
No. 6 Wheat.....	7,974,379.8
Feed Wheat.....	1,650,210.3
Other Grades.....	5,658,467.9
TOTAL.....	148,679,561.7

Total stocks of wheat transferred from the 1952-53 Pool to the 1953-54 Pool amounted to 148,679,561.7 bushels. Of these stocks, 21,404,291.1 bushels were committed to buyers under priced open sales contracts and were transferred to the 1953-54 Pool at contract prices. The remaining 127,275,270.6 bushels of unsold stocks were transferred to the 1953-54 Pool at current market prices less an allowance of 8c per bushel for market risk and for carrying charges subsequent to the transfer. The net price at which unsold stocks were transferred to the new Pool was \$1.80 per bushel, basis No. 1 Northern Wheat in store Fort William / Port Arthur or Vancouver. With minor exceptions, grades of wheat against which the Board held priced open sales contracts were transferred at a slightly higher price than \$1.80 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver. The transfer price for No. 1 Northern was \$1.82519 per bushel, basis in store Fort William/Port Arthur or Vancouver, inclusive of unsold stocks and priced open sales contracts.

*Of a total of 248.1 million bushels of wheat and wheat for flour sold from the 1952-53 Pool for registration under terms of the International Wheat Agreement, 1.1 million bushels were registered under the Agreement for the crop year 1951-52, 207.1 million bushels for the crop year 1952-53 and 39.9 million bushels for the crop year 1953-54.

7. 1952-53 Pool Account—Wheat

The following table shows the operating results of the 1952-53 Pool Account from August 1, 1952 to the closing date of the Pool on January 30, 1954:

1. Wheat acquired by the Board:	Bushels	
(a) Producers' deliveries, August 1, 1952 to July 31, 1953.....	533,016,978.9	
(b) Purchases from 1951-52 Pool Account—Wheat.....	103,208,409.5	
(c) Wheat otherwise acquired ①.....	2,110,381.9	
Total wheat acquired.....	638,335,770.3	
	(Value)	(Value)
2. Cost of wheat acquired.....		\$ 988,407,360.80
3. Proceeds of Sales—August 1, 1952 to January 30, 1954.....	\$884,100,320.61	
Sales value of stocks transferred to 1953-54 Pool Account as at January 30, 1954 ②.....	257,401,782.75	1,141,502,103.36
		153,094,742.56
4. Add: Carrying charges recovered.....		12,208,603.64
5. Gross surplus as at January 30, 1954.....		165,303,346.20
6. Operating costs—August 1, 1952 to January 30, 1954:		
(a) Carrying charges, including terminal storage.....	34,603,364.52	
(b) Net interest, and exchange and bank charges.....	5,753,886.48	
(c) Additional freight (net)..... (	109,947.20)	
(d) Handling, stop-off and diversion charges.....	727,454.77	
(e) Grade adjustments, drying and re- conditioning charges, etc..... (	962,903.13)	
(f) Administrative and general expenses.....	1,960,881.46	41,972,736.90
7. Surplus in the 1952-53 Pool Account as at January 30, 1954.....		\$ 123,330,609.30

①Net bushels acquired from the adjustment of overages and shortages, etc. at country and terminal elevators at Board initial prices, basis in store Fort William/Port Arthur or Vancouver.

②For details of transfer see Page 2.

8. Comments on the 1952-53 Pool Account—Wheat

1. Operating Costs

From August 1, 1952 to January 30, 1954 the Board's operating costs were \$41,972,736.90. Against these costs the Board recovered a net total of \$12,208,603.64 in the form of a six-cent per bushel carrying charge added to the Board's International Wheat Agreement sales prices from August 1, 1952 to July 31, 1953, and to its domestic sales prices from August 1, 1952 to May 19, 1953.

2. Carrying Charges

Total carrying charges incurred by the Board amounted to \$34,603,364.52. This amount included carrying charges of \$24,255,945.51 on wheat stored in country elevators and \$10,347,419.01 for storage in terminal elevators.

3. Net Interest, and Exchange and Bank Charges

Net interest, and exchange and bank charges paid by the Board were \$5,753,886.48.

4. Additional Freight (Net)

The Board earned a net credit of \$109,947.20 in its additional freight account. This item is comprised of a credit of \$188,275.79 in freight savings on wheat shipped to Churchill, less additional freight and other items amounting to \$78,328.59. The latter item consists principally of the cost incurred in the movement of low grade wheat from Alberta to Fort William/Port Arthur.

5. Handling, Stop-off and Diversion Charges

In shipping wheat to interior and other terminals for storage and in diverting wheat for shipment to Churchill and Prince Rupert the Board incurred charges amounting to \$727,454.77.

6. Grade Adjustments, Drying and Reconditioning Charges, etc.

Grade Adjustments, after allowing for drying and reconditioning costs, produced a net credit of \$962,903.13.

7. Administrative and General Expenses

Administrative and general expenses of the Board applicable to the 1952-53 Pool Account amounted to \$1,960,881.46, or .366 cent per bushel on handlings of 535,127,360.8 bushels.

9. Surplus for Distribution to Producers

In September 1953, the Board gave consideration to the financial position of the 1952-53 Pool Account. Owing to the volume of unsold stocks of wheat at that time, the Board was of the opinion that the provisions of Section 29 of the Act should not be utilized to close the 1952-53 Pool by transferring unsold stocks to the 1953-54 Pool. It was the view of the Board that it would be very difficult to arrive at a price basis for such a transfer and that the closing of the 1952-53 Pool under the provisions of Section 29 of the Act should therefore be deferred. At the same time, it was the opinion of the Board that the financial position of the 1952-53 Pool Account was such that an interim distribution of funds could be made to producers who had delivered wheat to the Pool. The Board, therefore, recommended and the Governor in Council approved and directed, in accordance with Section 26 (3) of the Act, that an interim payment of 12c per bushel on all grades of wheat delivered to the 1952-53 Pool be made. This interim payment which involved the distribution of \$63,962,036.83, was approved by Order in Council P.C. 1953-1479, September 24, 1953.

The surplus in the 1952-53 Pool Account as at the closing date, January 30, 1954 was \$123,330,609.30 before providing for the interim payment made to producers during the autumn months of 1953. After allowance for the interim payment, the Prairie Farm Assistance Act levy and the cost of issuing the final payment, and after adding estimated interest earnings subsequent to January 30, 1954, the final surplus for distribution to producers was \$58,282,438.38, as shown in the following table:

Surplus as at January 30, 1954.....		\$123,330,609.30
<i>Deduct:</i> 12c per bushel Interim Payment.....		63,962,036.83
		59,368,572.47
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$1,234,792.68	
Cost of issuing final payment.....	168,509.10	1,403,301.78
		57,965,270.69
<i>Add:</i> Estimated additional interest accruing from January 30, 1954 to date of distribution.....		317,167.69
Surplus for final distribution to producers.....		<u>\$ 58,282,438.38</u>

The final distribution of surplus funds in the 1952-53 Pool was authorized by Order in Council P.C. 1954-294, March 4, 1954. On producers' deliveries of 533,016,978.9 bushels, the final payment averaged 10.93444c per bushel.

10. Realized Prices

RED SPRING WHEAT GRADES

The following table shows (basis in store Fort William/Port Arthur or Vancouver) initial payments, adjustment payments, interim payments,

final payments and total final prices realized by producers for the principal grades of red spring wheat delivered to the Board for 1952-53 Pool Account, after deducting net operating costs, including carrying charges, grade adjustments and administrative expenses:

	<u>Initial*</u> <u>Payment</u>	<u>Adjustment*</u> <u>Payment</u>	<u>Interim*</u> <u>Payment</u>	<u>Final*</u> <u>Payment</u>	<u>Realized*</u> <u>Price</u>
	(dollars per bushel)				
No. 1 Northern.....	1.40	.20	.12	.09872	1.81872
No. 2 Northern.....	1.37	.20	.12	.10185	1.79185
No. 3 Northern.....	1.34	.20	.12	.10567	1.76567
No. 4 Northern.....	1.26	.20	.12	.13711	1.71711
No. 5 Wheat.....	1.16	.20	.12	.09507	1.57507
No. 6 Wheat.....	1.06	.20	.12	.14664	1.52664
Feed Wheat.....	1.00	.20	.12	.14948	1.46948

AMBER DURUM GRADES

Throughout the 1952-53 Pool period there was an excellent demand for milling grades of Amber Durum Wheat, particularly in European markets. As a result of relatively strong demand for the limited supplies of these grades entering into international trade during the Pool period, the Board was able to dispose of milling grades of

Durum Wheat at a premium over corresponding Northern grades of wheat. The following table shows Board payments to producers (basis in store Fort William/Port Arthur or Vancouver), and final prices realized by producers for the principal grades of Amber Durum Wheat delivered to the Board for 1952-53 Pool Account after deducting net operating costs:

	<u>Initial*</u> <u>Payment</u>	<u>Adjustment*</u> <u>Payment</u>	<u>Interim*</u> <u>Payment</u>	<u>Final*</u> <u>Payment</u>	<u>Realized*</u> <u>Price</u>
	(dollars per bushel)				
No. 1 Amber Durum.....	1.40	.25	.12	.46330	2.23330
No. 2 Amber Durum.....	1.37	.25	.12	.48073	2.22073
No. 3 Amber Durum.....	1.30	.25	.12	.54309	2.21309
No. 4 Amber Durum.....	1.26	.25	.12	.52763	2.15763

Prices and payments prior to deduction for Prairie Farm Assistance Act levy.

11. Board Selling Prices—1952-53 Pool

The following table shows Board quotations for sales of wheat under the terms of the first and the revised International Wheat Agreements and

for sales of Class II Wheat, by months, from August 1, 1952 to January 30, 1954 (basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver):

	International Wheat Agreement Price ^① (cents per bushel)			Class II Price ^② (cents per bushel)		
	High	Low	Average	High	Low	Average
August, 1952.....	173 $\frac{7}{8}$	172 $\frac{3}{4}$	173	218 $\frac{3}{4}$	214	216 $\frac{3}{8}$
September.....	172 $\frac{7}{8}$	172 $\frac{5}{8}$	172 $\frac{3}{4}$	220 $\frac{7}{8}$	214 $\frac{3}{4}$	218 $\frac{1}{2}$
October.....	174 $\frac{3}{4}$	172 $\frac{7}{8}$	173 $\frac{5}{8}$	225	218 $\frac{3}{4}$	221 $\frac{3}{4}$
November.....	177 $\frac{1}{4}$	173 $\frac{7}{8}$	175 $\frac{3}{4}$	231 $\frac{3}{4}$	224 $\frac{1}{4}$	227 $\frac{5}{8}$
December.....	175 $\frac{1}{2}$	174 $\frac{1}{8}$	174 $\frac{3}{4}$	224 $\frac{3}{8}$	219 $\frac{3}{8}$	221 $\frac{3}{8}$
January, 1953.....	175	174 $\frac{1}{2}$	174 $\frac{5}{8}$	220 $\frac{1}{8}$	215 $\frac{5}{8}$	218 $\frac{1}{8}$
February.....	177 $\frac{1}{8}$	174 $\frac{5}{8}$	175 $\frac{7}{8}$	220 $\frac{1}{2}$	216 $\frac{3}{8}$	218 $\frac{1}{8}$
March.....	177 $\frac{1}{2}$	176 $\frac{3}{8}$	177	221 $\frac{3}{8}$	217 $\frac{5}{8}$	219 $\frac{7}{8}$
April.....	177 $\frac{1}{2}$	176 $\frac{5}{8}$	177	217 $\frac{5}{8}$	211 $\frac{1}{2}$	215
May.....	179 $\frac{5}{8}$	177 $\frac{3}{4}$	179	214 $\frac{1}{2}$	208 $\frac{1}{2}$	211 $\frac{3}{4}$
June.....	179 $\frac{3}{8}$	178 $\frac{1}{2}$	179	211 $\frac{1}{4}$	198	205 $\frac{5}{8}$
July (first IWA).....	179	178 $\frac{1}{8}$	178 $\frac{1}{2}$	210	199 $\frac{3}{4}$	204 $\frac{5}{8}$
July (revised IWA).....	203 $\frac{3}{4}$	200	202 $\frac{3}{4}$	—	—	—
August.....	203	194	201 $\frac{1}{4}$	207	194	202 $\frac{1}{8}$
September.....	202 $\frac{1}{2}$	196 $\frac{3}{8}$	200 $\frac{1}{8}$	203 $\frac{3}{8}$	196 $\frac{3}{8}$	200 $\frac{1}{4}$
October.....	198	191 $\frac{3}{4}$	195 $\frac{1}{8}$	198	191 $\frac{3}{4}$	195 $\frac{1}{8}$
November.....	191 $\frac{7}{8}$	187 $\frac{3}{4}$	190	191 $\frac{7}{8}$	187 $\frac{3}{4}$	190
December.....	189	188	188 $\frac{1}{2}$	189	188	188 $\frac{1}{2}$
January, 1954.....	189	188	188 $\frac{1}{2}$	189	188	188 $\frac{1}{2}$

Under the terms of the revised International Wheat Agreement a maximum price of \$2.05 (United States funds) per bushel was established for No. 1 Northern Wheat (basis in store Fort William/Port Arthur) sold for registration in 1953-54. In July, 1953 the Board began quoting prices for wheat to be registered under the revised Agreement. From July 9th to September 2nd Board quotations fluctuated at various times at and below the revised Agreement maximum in terms of Canadian currency. Thereafter quotations for Agreement wheat gradually declined to an average of \$1.88 $\frac{1}{2}$ per bushel in the final month of the Pool.

During the period August 1, 1953 to January 30, 1954 Board price discounts on milling grades of wheat below No. 1 Northern were widened. On January 29, 1954 the spreads on No. 2 Northern, No. 3 Northern and No. 4 Northern below No. 1 Northern were 4c, 8c and 13c per bushel respectively, as compared with 2c, 4c and 8c per bushel for the same grades on August 4, 1953.

At the beginning of the crop year 1953-54 Board quotations for Class II Wheat were at a slightly higher level than quotations for registration under the revised International Wheat Agreement. By early September, however, Class II prices were lowered to the level of the Board's International Wheat Agreement prices, and continued at that level for the remainder of the Pool period.

From August 1, 1953 to January 30, 1954 the Board sold wheat (except Amber Durum Wheat) for domestic purposes at the same prices at which it sold wheat under the terms of the revised International Wheat Agreement. By authority of P.C. 1953-1478, September 24, 1953 the Board's selling prices for Amber Durum Wheat for domestic purposes were raised, as at that date, by ten cents per bushel above the prices at which it sold Amber Durum Wheat under the terms of the revised International Wheat Agreement.

①Not including the six-cent per bushel carrying charge which was added to the price of all wheat sold for registration under the first International Wheat Agreement for the crop year ended July 31, 1953.

②The Board's International Wheat Agreement and Class II selling prices for wheat grading No. 5 and lower were on the same basis from August 1, 1952 to January 30, 1954.

12. Statement of Operations and Auditors' Report

Exhibit I following herewith is the final Statement of Operations for the 1952-53 Pool Account—Wheat, covering the period from August 1, 1952 to January 30, 1954. This statement is followed by the Auditors' Report.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTSON,
Commissioner

THE CANADIAN
1952-53
STATEMENT
For the period 1st August 1952 to 30th January 1954

Wheat acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board prices basis in store Fort William/Port Arthur or Vancouver.....

Purchased from 1951-52 Pool Account — Wheat.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:

Domestic.....

Export sales at Class II prices.....

Export sales under the terms of the International Wheat Agreement.....

Sales to the 1953-54 Pool Account — Wheat.....

Weight losses in transit and in drying and reconditioning.....

Add: Carrying charges recovered.....

Net proceeds from sales.....

Surplus on wheat transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 30th January 1954)

Carrying charges:

Carrying charges on wheat stored in country elevators.....

Storage on wheat stored in terminal elevators.....

Net interest, and exchange and bank charges.....

Net additional freight on wheat shipped from country stations to terminal positions.....

Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....

Grade adjustments, drying and reconditioning charges, etc.....

Administrative and general expenses to 30th January 1954.....

Surplus on operations of the Board on the 1952-53 Pool Account — Wheat, for the period
1st August 1952 to 30th January 1954.....

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTSON,
Commissioner

EAT BOARD

ount-Wheat

ERATIONS

2 to 30th January 1954

Bushels		Amount	
633,016,978.9		\$818,255,991.92	
2,110,381.9		2,954,796.96	
03,208,409.5	638,335,770.3	167,196,571.92	\$ 988,407,360.80
63,936,796.6			
77,516,735.8			
48,071,731.3			
48,679,561.7			
130,944.9	638,335,770.3	\$1,141,502,103.36	
		12,208,603.64	
			1,153,710,707.00
			165,303,346.20
		24,255,945.51	
		10,347,419.01	
		34,603,364.52	
		5,753,886.48	
		(109,947.20)	
		727,454.77	
		(962,903.13)	
		1,960,881.46	41,972,736.90
			\$ 123,330,609.30

*This is the Statement of Operations which is referred to in our
report of this date attached hereto.*

Winnipeg, Manitoba,
1st March, 1954.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

AUDITORS' REPORT

MILLAR, MACDONALD & Co.

CHARTERED ACCOUNTANTS

The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have conducted an audit of the accounts and records of The Canadian Wheat Board in which are separately recorded the transactions relating to the 1952-53 Pool Account—Wheat for the period from 1st August 1952 to 30th January 1954 and have examined the Statement of Operations, Exhibit I, which sets forth the results of the Board's operations thereon for the same period. We have obtained all the information and explanations which we have required from members of the Board, its officers and employees.

Our examination was conducted in accordance with generally accepted auditing principles and included such tests of the accounting records and such other procedures as we considered adequate in view of the system of internal accounting control maintained by the Board.

In our opinion the accompanying Statement of Operations—Exhibit I is properly drawn up so as to exhibit a true and correct view of the results of the operations of The Canadian Wheat Board on 1952-53 Pool Account—Wheat for the period from 1st August 1952 to 30th January 1954, according to the best of our information, the explanations given to us, and as shown by the books of the Board.

Winnipeg, Manitoba,
31st March 1954.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

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Canada - Canadian Wheat Board

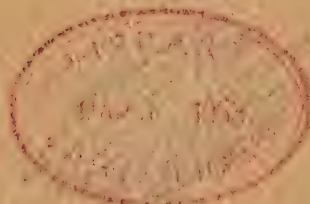
R E P O R T

of

The Canadian Wheat Board



C R O P Y E A R
1953 - 1954



R E P O R T

of

The Canadian Wheat Board

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C R O P Y E A R
1953 - 1954

Report of The Canadian Wheat Board

Crop Year 1953-1954

The RIGHT HONOURABLE C. D. HOWE,
Minister of Trade and Commerce,
OTTAWA, Canada.

Sir:

We beg to submit herewith the Annual Report of The Canadian Wheat Board for the crop year ended July 31, 1954, as required by The Canadian Wheat Board Act, 1935.

PART I

1. General Comment—Crop Year 1953-54

Only occasionally it happens that wheat harvests are bountiful the world over and 1953-54 was such a year. All continents harvested excellent wheat crops. Departures from the general trend of generous production were few.

Record production levels were reached in Europe. The only exceptions to the pattern of uniformly large European crops occurred in Spain, the Netherlands and Western Germany. Particularly large crops were harvested in the United Kingdom, France, Italy, Sweden, Austria, Greece, Portugal and Ireland. The wheat harvest in Asia followed the same pattern with excellent crops harvested in the Indian sub-continent and in Iran, Syria and Turkey. North Africa experienced a record harvest, production in Egypt and French Morocco being exceptionally high.

In North and South America the total quantity of wheat harvested, while slightly less than in 1952, was still well above normal. Argentina produced an estimated 228 million bushels of wheat in 1953-54 as compared with 287 million bushels the previous year. At the same time, the United States harvested 1,169 million bushels as compared with 1,291 million bushels in 1952-53, while Canada produced 614 million bushels as compared with 688 million bushels the previous year. Wheat production in Australia was 199 million bushels in 1953-54 as compared with 195 million bushels in the previous crop year.

The good harvests of 1953-54 followed a year of very large international trade in wheat in 1952-53, and consequently many importing countries were well stocked at the beginning of the crop year with reserves of imported wheat as well as supplies from domestic crops. With some easing of international tensions importing countries generally reduced reserves of breadstuffs which had been carried during the period of the Korean hostilities and in some cases since the end of World War II. These factors combined brought about a readjustment in the world wheat trading position for the crop year 1953-54. The main effect was to lower world import requirements from the levels which had been prevailing in previous years. It so happened that the lessening of import demand coincided with the existence of larger stocks of wheat in exporting countries, and with the offerings of wheat for export by more countries than in any post-war crop year.

As a result of the overall decline in world import requirements, the utilization of reserve stocks of wheat by importing countries, the entrance of some normally importing countries like Turkey and Sweden as exporting countries, and unusually large exports from France, wheat exports in 1953-54 by most of the larger wheat exporting countries were substantially reduced.

Canadian exports of wheat (including flour) in 1953-54 amounted to 255 million bushels as compared with the exceptionally large figure of 386 million bushels for the previous year. During the

same period exports from the United States declined to 216 million bushels from the level of 317 million bushels in 1952-53. Australian exports amounted to 64 million bushels as compared with 106 million bushels the previous year. Argentine exports rose to a more normal figure of 108 million bushels in 1953-54 as compared with a very low level of exports from that country in the previous two crop years owing to a virtual crop failure in 1951-52.

2. The Canadian Position

Following the record harvest of 1952 and the very large crop of 1951, grain production in the Prairie Provinces in 1953 was for the third successive year substantially above the levels of grain production normally prevailing in these provinces. The extent of the phenomenal production of grain which occurred in the Prairie Provinces from 1951 to 1953 is illustrated in the following table, with comparative data for the five-year period from 1946 to 1950:

	Average Production 1946 to 1950	Production 1951 1952 1953 (million bushels)			Average Production 1951 to 1953
Wheat.....	367	529	664	584	592
Oats.....	202	340	346	276	321
Barley.....	135	234	281	251	255
Rye.....	12	16	23	27	22
Flaxseed.....	8	9	12	9	10
TOTAL.....	<u>724</u>	<u>1,128</u>	<u>1,326</u>	<u>1,147</u>	<u>1,200</u>

Grain production in the Prairie Provinces amounted to 1,147 million bushels in 1953. During the three years from 1951 to 1953 prairie production of all grains averaged 1,200 million bushels annually, attaining the level of 3,600 million bushels for the three-year period, or only slightly below the total production of 3,720 million bushels which occurred in the previous five years.

3. Legislation

No amendments to The Canadian Wheat Board Act were passed by Parliament in the 1953-54 Session.

4. Crop Development and Supplies

The total acreage seeded to wheat, oats and barley in Canada in 1953 was 44,254,000 acres, reflecting a reduction of more than one and one-quarter million acres from the 45,535,000 acres seeded to these grains in 1952. A large part of the reduction in Canadian acreage seeded to wheat,

oats and barley took place within the Prairie Provinces, where the combined acreage seeded to these grains in 1953 was 39,737,000 acres as compared with 40,909,000 acres the previous year.

Prairie wheat acreage in 1953 was 24,648,000 acres, declining by approximately half a million acres from the 25,204,000 acres seeded to wheat in 1952. At the same time, oats acreage in the Prairies was 6,490,000 acres representing a reduction of more than one million acres from the 7,560,000 acres seeded to oats the previous year. However, the contraction which occurred in wheat and oats acreages was somewhat offset by an expansion of the barley acreage. The area seeded to barley in the Prairies in 1953 was 8,599,000 acres, having increased by nearly half a million acres over the 8,145,000 acres on which barley was grown the previous year.

Rainy weather through an extended period of the spring of 1953 hampered producers' seeding operations in a large area of the Prairie Provinces and spring planting was for the most part very late. In several regions, including southern areas, producers found it necessary to seed coarse grains on land originally intended for wheat, and some acreage could not be seeded at all during the year due to the wetness of the soil. Cool and damp weather continued to retard crop development in many areas in the first part of June.

However, with adequate moisture reserves and warm, dry weather from the latter part of June through July, crop development was generally excellent and by July there were indications that despite the unfavourable beginning, 1953 grain yields would be above long-term averages. High temperatures in August did much to overcome the effect of retarded spring planting, and it became apparent that Prairie grain production would be among the largest on record.

Harvesting operations were under way in Manitoba and Saskatchewan by the first week of September, although there was further delay in a large section of Alberta as a result of cool, damp weather. Favourable weather continued through the months of September and October to assist producers in their harvesting operations, and the bumper 1953 crop was reaped in a generally dry condition, with frost damage very limited despite the late development of Prairie grain.

Production of wheat in the Prairie Provinces in 1953 was estimated at 584 million bushels as compared with 664 million bushels the previous year. For Canada as a whole, wheat production amounted to 614 million bushels. Wheat production in each of the Prairie Provinces and in Canada is shown in the following table for the years 1951 to 1953:

	1951 (million bushels)	1952	1953
Manitoba.....	52	57	46
Saskatchewan.....	325	435	375
Alberta.....	152	172	163
Total Prairie Provinces.....	529	664	584
Other Provinces.....	24	24	30
TOTAL.....	553	688	614

Production of Prairie oats in 1953 amounted to 276 million bushels as compared with 346 million bushels the previous year. Canadian oats production was 407 million bushels for the year as compared with 467 million bushels in 1952.

Total barley production in the Prairie Provinces in 1953 was 251 million bushels as compared with 281 million bushels the previous year. Canadian barley production reached 262 million bushels for the year as compared with 291 million bushels in 1952.

Supplies of wheat from the 1953 crop were supplemented by the commercial carryover (wheat in country elevators, terminal elevators, mills and in-transit, etc.) on July 31, 1953 amounting to 287 million bushels as compared with 196 million bushels on July 31, 1952.

Supplies of oats and barley in all commercial positions in Canada on July 31, 1953 amounted to 53.3 million bushels and 73.3 million bushels respectively as compared with 50.2 million bushels of oats and 57.8 million bushels of barley on the corresponding date the previous year.

5. Transportation

The following table shows primary receipts and summarizes the principal movements of western grain which took place in 1953-54 as compared with those of the three previous crop years:

	1950-51	1951-52 (million bushels)	1952-53	1953-54
Primary receipts from producers.....	565	737	845	610
Shipments from country elevators and platform loadings.....	486	682	747	576
Receipts at Pacific Coast Ports.....	62	124	124	135
Receipts at Fort William/Port Arthur.....	318	453	530	360
Shipments from Fort William/Port Arthur (lake and rail).....	287	475	516	351

As indicated above, the railways moved 576 million bushels of grain from country elevators and loading platforms during the crop year. This outward movement of grain from country points approximated the total quantity of all grains marketed by producers during the crop year which amounted to 610 million bushels. Grain receipts

at Pacific Coast ports in 1953-54 were 135 million bushels, the largest volume on record. At the same time some 360 million bushels of grain were received at Lakehead terminals, while the outward movement from the Lakehead to Eastern Canada or destinations in the United States amounted to 351 million bushels.

The railways and lake boats provided adequate transportation throughout the crop year. In the final weeks of the crop year the railways carried out a large scale and precise movement in creating space for the general delivery quota of seven bushels per specified acre. The Board wishes to express appreciation of the co-operation which it received from the Transport Controller, the railways, the lake boat operators and the Board of Grain Commissioners for Canada in effecting the 1953-54 grain movement.

6. Delivery Quotas

Important changes were inaugurated in the Board's delivery quota policy for 1953-54. The first important change was to broaden the basis of producers' deliveries and to include summerfallow as a relevant acreage. Acreage for delivery purposes was designated as "specified" acreage, which was the combined total number of acres that producers in 1953 had seeded to wheat (except Durum), oats, barley and rye, plus acreages in summerfallow. The second major change was to give producers more flexibility in their deliveries of wheat, oats, barley or rye. This was brought about by defining the major delivery quotas as a general quota of a stated number of bushels of grain per specified acre. A producer could then deliver wheat, oats, barley or rye in any combination up to the limit of the general established quota. In previous years producers' deliveries of any particular grain were limited to a stated number of bushels per acre specifically seeded to that grain. The third major change was the inclusion for the first time of a minimum number of bushels to be delivered under the general quotas. Minimum quotas were established as a means of assistance to producers operating smaller farms throughout the Prairie Provinces.

The provisions of the quota policy were announced prior to the commencement of the crop year, to become effective as designated by the Board. At the same time it was announced that Durum wheat and flaxseed would be on an open quota for the crop year. Deliveries of wheat (excluding Durum) and oats became subject to the initial general quota on August 17, 1953 while the quota was applied to barley deliveries on August 11th in Manitoba and on August 17th in Saskatchewan and Alberta. Rye deliveries were subject to the quota from the commencement of the crop year.

The initial general delivery quota was three bushels per specified acre or a minimum of 500 bushels of grain, whichever was the greater. It took the most of the fall months to provide the necessary space at all delivery points for the initial general delivery quota of three bushels per specified acre. In early November the country position eased somewhat and it was possible for the Board to raise the minimum quota from 500 bushels to 700 bushels. When points had additional space beyond their requirements for the initial general quota, they became alternative delivery stations and were then in a position to receive grain from producers at other delivery points where space was not sufficient for the initial general delivery quota.

Effective December 14th at all stations in the designated area, a second quota of two bushels per specified acre or a minimum of 300 bushels, whichever was the greater, was authorized. At the same time all stations at which alternative delivery privileges had been extended prior to that date reverted to their original status. Under the initial and second quotas combined, producers were thereby authorized to deliver up to five bushels of grain per specified acre or an outright 1,000 bushels of grain, whichever was the greater. Beginning on March 17th as space gradually became available at stations in excess of that required to accommodate the general quota of five bushels per specified acre plus supplementary quotas on specific grains which had from time to time been authorized, the Board increased the general quota by one or two bushels per specified acre at various stations. Beginning on April 20th stations with space in excess of that required to accommodate the seven-bushel quota were again designated as alternative delivery points.

Early in July it was announced that the maximum general delivery quota at any station prior to the end of the crop year would be seven bushels per specified acre. At the same time it was pointed out that every possible effort was being made to provide for the full delivery of this quota at all delivery points in the Prairie Provinces by July 31st. As a result of the efforts of the railways in moving grain forward from congested points, sufficient space was provided to enable producers to market the seven-bushel quota by the end of the crop year. During the crop year producers marketed about 610 million bushels of all grains.

A number of special or supplementary quotas were established from time to time through the year. The usual provision was made whereby one car lot of barley which had been accepted for malting purposes, and for which the producers would be paid a minimum premium, could be marketed in excess of the regular quota. Early in October the Board undertook to grant special delivery quotas to producers having 50% or more of their specified acreage seeded to oats. Later

in the crop year a similar arrangement was established in respect to rye deliveries. Through the crop year a number of supplementary quotas were established for oats. On October 20, 1953 a supplementary oats quota of three bushels per seeded acre became effective. This was followed by a further supplementary quota of three bushels per seeded acre on December 18, 1953, a six bushel per seeded acre supplementary quota on January 20, 1954 and finally, a three bushel per seeded acre supplementary quota on June 10, 1954. These supplementary quotas on oats were designed to bring into country elevators supplies of oats required to meet market demands. In general, it was the experience of the Board that under general quotas there was a tendency for producers to deliver the higher value grains in preference to oats.

7. Handling Agreement

The terms of the 1952-53 Handling Agreement were continued in the 1953-54 Agreement negotiated with handling companies. Handling margins remained at 4½¢ per bushel on wheat and barley and 3½¢ on oats, while the storage rate continued at 1/35 of a cent per bushel per day. Diversion charges on grain shipped or diverted to interior mills, maltsters or other processors, as negotiated between the handling companies and the processors concerned, remained unchanged from the previous year. Diversion charges on grain shipped or diverted to interior government terminal elevators or to the ports of Churchill and Prince Rupert also were unchanged.

8. 1953-54 Pool Account—Wheat

WHEAT POLICY

Under the authority of The Canadian Wheat Board Act, 1935 as amended, the Board administered an annual pool in respect to wheat delivered to the Board between August 1, 1953 and July 31, 1954.

By Order in Council P.C. 1953-1045 July 2, 1953 (Canadian Wheat Board Regulations) the initial price for wheat delivered to the Board between August 1, 1953 and July 31, 1954 was established at \$1.40 per bushel basis No. 1 Northern in store Fort William/Port Arthur or Vancouver. Initial prices for the principal grades other than No. 1 Northern were established by the Board and approved by Order in Council P.C. 1953-1254, August 5, 1953. Initial prices for other grades were established as required and approved by Orders in Council.

Under Order in Council P.C. 1953-1045, July 2, 1953 the Board was required to sell wheat intended to meet domestic requirements at the same price as it sold wheat to persons purchasing such wheat

for registration under the revised International Wheat Agreement. This Order in Council was amended on September 24, 1953 to provide for the sale of Amber Durum Wheat intended to meet domestic requirements at a price which was ten cents in excess of the price at which Amber Durum Wheat was sold to persons purchasing such wheat for registration under the revised International Wheat Agreement.

BOARD RECEIPTS

The following table shows receipts of wheat from producers, by months, for the period from August 1, 1953 to July 31, 1954:

	<u>Bushels</u>
August, 1953.....	15,552,734.0
September.....	37,038,225.0
October.....	58,349,355.7
November.....	33,852,962.7
December.....	41,463,307.5
January, 1954.....	52,522,566.9
February.....	12,640,962.1
March.....	12,516,365.9
April.....	12,622,233.1
May.....	16,548,390.9
June.....	32,305,575.8
July.....	72,619,140.2
TOTAL.....	<u>398,031,819.8</u>

Board receipts from producers amounted to 398.0 million bushels as compared with 533.0 million bushels the previous crop year. Receipts from producers were largest during the first six months of the crop year resulting from a steady outward movement of grain from country elevators and from terminal positions prior to the close of navigation. Producers also delivered a substantial volume of grain to the Board in the final month of July at a time when every effort was made to make available sufficient space at every delivery point for producers to complete deliveries under the general quota of seven bushels per specified acre.

GRADE PATTERN OF BOARD RECEIPTS

The following table shows receipts from producers, by principal grades, for the crop year 1953-54, together with the percentage of total receipts represented by each of the principal grades:

<u>Grade</u> <u>(Including Toughs and Damps)</u>	<u>Total</u> <u>Bushels</u>	<u>% of</u> <u>Total</u>
No. 1 Northern.....	15,375,027.2	3.9
No. 2 Northern.....	218,407,018.3	54.9
No. 3 Northern.....	114,104,400.5	28.7
No. 4 Northern.....	20,293,062.8	5.1
No. 1 to No. 4 Durum.....	7,346,958.6	1.8
No. 1 to No. 3 Garnet.....	9,821,717.9	2.4
No. 5 Wheat.....	5,592,571.8	1.4
No. 6 Wheat.....	803,068.9	.2
Feed Wheat.....	428,864.0	.1
Other Grades.....	5,859,129.8	1.5
TOTAL.....	<u>398,031,819.8</u>	<u>100.0</u>

As shown in the above table, the principal grade of wheat received from producers was No. 2 Northern, which alone accounted for more than half the total receipts. The grade pattern of Board receipts in 1953-54 was similar to that of the previous crop year in that top milling grades predominated. The grades No. 1 Northern, No. 2 Northern and No. 3 Northern together accounted for 87.5 percent of all receipts from producers as compared with 82.0 percent for these three principal grades among Board receipts the previous crop year. Very little tough or damp wheat was delivered.

TOTAL WHEAT STOCKS—1953-54 POOL

Total wheat stocks in the 1953-54 Pool were 548,097,711.7 bushels, consisting of 398,031,819.8 bushels received from producers, 1,386,330.2 bushels purchased from others than producers and 148,679,561.7 bushels transferred from the 1952-53 Pool to the 1953-54 Pool as at January 30, 1954.*

*For details of this transfer see page 2 of the Supplementary Report of The Canadian Wheat Board on the 1952-53 Pool Account for Wheat.

1953-54 POOL ACCOUNT—WHEAT

Since the principal assets of the 1953-54 Pool as at July 31st consisted of an inventory of 378,179,678.8 bushels, consideration of the position of the Pool as at July 31, 1954 depends largely upon the basis of valuation used for this inventory. As at the end of the previous crop year and in accordance with accepted accounting practice, the July 31st inventory as shown in the following table and in Exhibit II of this Report, is

valued at the Board's initial payments to producers, namely, \$1.40 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. This basis of inventory valuation is used even although the Board's asking prices for No. 1 Northern Wheat average \$1.70 per bushel basis in store Fort William/Port Arthur and \$1.75 $\frac{3}{4}$ per bushel basis in store Vancouver for the period from August 1, 1954 to December 31, 1954 (the date of this Report).

Having regard to the foregoing comment, the following table shows the operating position of the 1953-54 Pool Account from August 1, 1953 to July 31, 1954:

	Bushels		
1. Wheat acquired by the Board:			
(a) Producers' deliveries, August 1, 1953 to July 31, 1954.....	398,031,819.8		
(b) Purchased from the 1952-53 Pool Account—Wheat.....	148,679,561.7		
(c) Wheat otherwise acquired ①.....	1,386,330.2		
Total wheat acquired.....	<u>548,097,711.7</u>		
	(Value)	(Value)	
2. Cost of wheat acquired.....		\$795,151,570.18	
3. Proceeds of sales and value of unsold stocks of wheat as at July 31, 1954:			
(a) (i) Completed sales at realized prices.....	\$246,998,560.46		
(ii) Uncompleted sales at contract prices.....	50,539,635.03		
Total proceeds from sales.....	<u>297,538,195.49</u>		
(b) Value of unsold stocks of wheat stated at Board initial prices.....	506,614,556.33	804,152,751.82	
4. Gross surplus as at July 31, 1954.....			9,001,181.64
5. Operating costs—August 1, 1953 to July 31, 1954:			
(a) Carrying charges, including terminal storage.....	29,835,170.79		
(b) Interest and bank charges.....	4,384,324.79		
(c) Additional freight (net).....	148,277.61		
(d) Handling, stop-off and diversion charges.....	159,207.87		
(e) Drying charges.....	11,929.82		
(f) Administrative and general expenses.....	<u>1,228,388.89</u>	35,767,299.77	
6. Debit balance in the 1953-54 Pool Account—Wheat, as at 31st July 1954, after valuing stocks of wheat on hand at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....			<u>\$ 26,766,118.13</u>

① Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board initial prices, basis in store Fort William/Port Arthur or Vancouver.

OPERATING COSTS—1953-54 WHEAT ACCOUNT

Board operating costs applicable to the 1953-54 Pool amounted to \$35,767,299.77 during the crop year ending July 31, 1954. This amount includes \$29,835,170.79 for carrying charges on wheat stored in country elevators and for the storage of wheat in terminal elevators and in mills to July 31, 1954. Interest and bank charges amounted to \$4,384,324.79. Net additional freight on wheat shipped from country elevators to terminal positions was \$148,277.61. These charges arose primarily in the movement of wheat to the Pacific Coast from stations in western Saskatchewan from which there is a more favourable freight rate to Fort William/Port Arthur than to Vancouver, and in the movement of low grade wheat to the Lakehead from Alberta points. They also reflected a credit of freight saved on wheat moved to Port Churchill. Handling, stop-off and diversion charges on wheat warehoused at interior terminals in the sum of \$159,207.87 were incurred by the Board. Drying charges were \$11,929.82. The Board's administrative and general expenses applicable to the 1953-54 Pool were \$1,228,388.89 to July 31, 1954.

INTERIM PAYMENT TO PRODUCERS

While for sound accounting reasons the July 31st inventory of the 1953-54 Pool Account had been valued at the Board's initial payments to producers, basis in store Fort William/Port Arthur or Vancouver, the Board's sales experience indicated that a considerably higher valuation would have been warranted. Consequently, when consideration was given to an interim payment it was the Board's view that the 1953-54 Pool could be regarded as being in a surplus position.

Order in Council P.C. 1954-1663, November 3, 1954 authorized an interim payment of 10c per bushel on wheat delivered to the Board between August 1, 1953 and July 31, 1954 providing that this interim payment did not apply to Garnet Wheat, Soft White Spring Wheat, Alberta Red Winter Wheat and Alberta Winter Wheat.

The interim payment constitutes a liability of the 1953-54 Pool Account not included in the foregoing statement of the operating position of the Pool as at July 31, 1954. The total payment to producers amounted to \$38,638,978.04. The first cheques were issued on November 23, 1954 and the payment was completed on December 20, 1954.

INTERNATIONAL WHEAT AGREEMENT

The crop year 1953-54 coincided with the first year of the revised International Wheat Agreement, which is effective from August 1, 1953 to July 31, 1956. Prior to the commencement of the crop year 1953-54 negotiations took place which

led to the renewing and revising of the first International Wheat Agreement terminating on July 31, 1953. At that time the representatives of forty-five governments signed the revised Agreement, including those of forty-one importing countries and four exporting countries. This group of nations signing the revised Agreement was composed of all the countries that had been adherents to the first Agreement, with the exception of the United Kingdom.

At various times during the crop year 1953-54 four additional countries acceded to the revised Agreement. These were Jordan, Korea, Vatican City State and Yugoslavia. Two of the original signatory countries, Italy and Sweden, failed to ratify the revised Agreement.* At the end of the crop year the countries participating in the revised Agreement numbered forty-seven, of which forty-three were importing countries and four were exporting countries. As at July 31, 1954 the total of the annual guaranteed quantities under the Agreement was 389.2 million bushels after adjustment for non-ratification and for accessions, as compared with a total guaranteed annual quantity of 580.9 million bushels as at July 31, 1953, under the first International Wheat Agreement.

Canada's guaranteed annual quantity under the revised International Wheat Agreement was 150.8 million bushels as at July 31, 1954, after adjustment for non-ratification or for accession to the Agreement by six importing countries through the crop year, and for changes in the guaranteed quantities of some of the importing countries.

Minimum and maximum prices under the revised International Wheat Agreement are \$1.55 and \$2.05 per bushel respectively basis No. 1 Northern Wheat in store Fort William/Port Arthur expressed in Canadian currency at the parity of the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1, 1949. As the Canadian dollar has been allowed to find its own level freely on exchange markets since October 2, 1950, minimum and maximum prices under the International Wheat Agreement expressed in Canadian currency have been variable as the value of the Canadian dollar fluctuated in relation to its International Monetary Fund parity as at March 1, 1949 or in relation to the United States dollar, which has remained at its gold parity.

In 1953-54 the Board continued to represent the Government of Canada in the administration of the revised International Wheat Agreement.

*Italy acceded to the revised Agreement on December 10, 1954 as an importing country but with a reduced guaranteed annual quantity of 3.7 million bushels.

SALES POLICY—WHEAT

On July 31, 1953 the Board had unsold stocks of wheat amounting to 250.2 million bushels. Shortly after the start of the crop year the Board estimated the farm surplus of wheat for the crop year 1953-54 at slightly over 600 million bushels, the greater part of which would be delivered at country elevators throughout the crop year. The basic problem confronting the Board was that of marketing wheat under surplus conditions and in competition with other exporting countries.

In describing the course of Board asking prices for 1953-54, a brief reference to price developments in the previous crop year is desirable. Throughout 1952-53 the Board sold wheat for registration under the first International Wheat Agreement at maximum prices provided under that Agreement. At the same time, however, Class II prices declined through the latter half of the crop year 1952-53, narrowing the spread between the Board's I.W.A. and Class II asking prices, but still remaining well above the Agreement maximum. This spread was further narrowed when a new maximum price became applicable on August 1, 1953 under the revised International Wheat Agreement.* On the first market day of August, 1953 the Board's asking price for Agreement registration was \$2.03 per bushel while its Class II price was \$2.07 per bushel, both basis No. 1 Northern Wheat in store Fort William/Port Arthur and Vancouver. During the first week in August, 1953 Class II quotations continued to decline, reaching \$2.03 $\frac{3}{4}$ per bushel on August 7, 1953 which was only fractionally above the I.W.A. maximum price in Canadian funds. On August 10, 1953 the Class II price declined by 9 $\frac{3}{4}$ c per bushel breaking through the I.W.A. maximum level. At that point the Board had to decide what relationship should exist between its I.W.A. asking price and its Class II price. The decision was that I.W.A. asking prices should be at the Class II price level whenever the latter was quoted at or below the I.W.A. maximum price. As a result, the sharp decline in the Class II price on August 10th was matched by a decline of 8 $\frac{3}{4}$ c per bushel in the Board's I.W.A. price, bringing the latter price well below the maximum I.W.A. level. From August 10th to August 13th both Class II and I.W.A. prices increased by 3c per bushel. On August 14th the Board's Class II price increased by 5 $\frac{1}{2}$ c per bushel and Board I.W.A. quotations returned to the maximum level under the Agreement. From August 14th to September 16th, Class II quotations with few exceptions continued at the Agree-

ment maximum and the Board's I.W.A. quotations were for the most part the same as Class II quotations. On September 17, 1953 Class II prices again moved downward from the Agreement maximum level and remained below this level for the balance of the crop year. From this date I.W.A. quotations were identical with Class II quotations.

Early in the crop year the Board increased its selling discounts for No. 2 and No. 3 Northern Wheat in relation to its selling price for No. 1 Northern. For example, at the start of the crop year No. 2 Northern was selling at a discount of 2c per bushel under No. 1 Northern. This discount was increased on several occasions as the crop year progressed until a discount of 6c per bushel was reached. Likewise, the discount on No. 3 Northern was increased from 4c per bushel to 8c per bushel under No. 1 Northern, and the discount for No. 4 Northern was increased from 8c per bushel to 14c per bushel and subsequently adjusted to 12c per bushel late in the crop year. These increasing discounts for No. 2, No. 3 and No. 4 Northern Wheat not only reflected Board holdings of these particular grades, but also served to make these grades more competitive in world markets. In addition to increasing all grade discounts, the Board reduced its selling prices substantially as the crop year progressed.

From the Agreement level of \$2.03 per bushel at the start of the crop year Board quotations for No. 1 Northern Wheat basis in store Fort William/Port Arthur decline through the course of the crop year to a level of \$1.70 $\frac{1}{2}$ per bushel on July 30, 1954, representing an overall decline of 32 $\frac{1}{2}$ c per bushel for the year. This price decline included a downward adjustment in the Board selling prices of 10c per bushel during June, 1954. On the same basis the overall reduction in Board selling prices for No. 2 Northern, No. 3 Northern and No. 4 Northern was 36 $\frac{1}{2}$ c per bushel. These price reductions were substantial and were made in order to keep Canadian wheat competitive on world markets. On July 30, 1954 the Board's quoted price for No. 1 Northern Wheat was 29c per bushel below the International Wheat Agreement maximum price, and 19 $\frac{3}{4}$ c per bushel above the International Wheat Agreement minimum price, as expressed in Canadian currency.

As a measure to encourage sales of wheat, the Board provided on September 4, 1953 that buyers would have the option of purchasing Board wheat at its daily quoted selling prices or on a deferred price basis. If a buyer chose the latter basis he had the right to declare the final price up to seven market days after the date of call on shipments from the St. Lawrence or Atlantic ports, and up to fifteen market days from date of loading from Pacific Coast ports. A similar policy was subsequently applied to Port Churchill under which the buyer had the right to declare the final price

*The maximum price under the revised Agreement was \$2.05 per bushel in American funds as compared with a maximum price under the first International Wheat Agreement of \$1.80 per bushel American funds, plus an added carrying charge of 6c per bushel applicable in 1952-53, both prices basis No. 1 Northern Wheat in store Fort William/Port Arthur.

up to nine market days after the date of call on shipments from Port Churchill. If the deferred price basis was selected by a buyer provision was made for an accounting price to be established, such price to be adjusted finally within the time limits mentioned above. If a buyer did not fix a final price prior to the expiration of the time limits, the Board's selling price at the expiration of the period automatically became the final price governing the sale. The deferred pricing arrangement was a means of making the purchase of Canadian wheat more attractive to buyers under the conditions which prevailed.

A further change in the basis of Board pricing was announced on February 16, 1954. On that date the Board issued an Instruction to the Trade which is quoted in part as follows:

"Owing to lower forwarding costs of wheat shipped to overseas markets from Pacific Coast Ports, these Ports have been operating at near capacity levels during the present crop year while, owing to higher forwarding costs, the movement of wheat from St. Lawrence Ports and Maritime Ports is substantially smaller than during the past crop year. Supplies of wheat for Pacific Coast Ports originate almost exclusively from Alberta. The greater part of Saskatchewan and Manitoba depends on the wheat movement from the Lakehead and then to St. Lawrence and Maritime Ports for the creation of country elevator space and, in turn, the receiving of wheat from producers.

"As a measure to establish more equality in wheat shipments from various parts of the Prairie Provinces, the Board, for such period of time as may be necessary, is adopting a policy of making Board wheat generally competitive in overseas markets, irrespective of the port of shipment. Pursuant to this objective, the

Board will take into account, not only internal costs of moving wheat to seaboard positions, but also the various ocean freight rates involved and such variations in the foregoing costs as may occur from time to time.

"To give effect to the foregoing policy, the Board will, commencing at 1:15 p.m. C.S.T. on Tuesday, February 16, 1954, quote separate selling prices for Board wheat as follows:

- (1) Prices for Board wheat in store Pacific Coast Ports;
- (2) Prices for Board wheat in store Fort William/Port Arthur;
- (3) Prices for Board wheat in store Port Churchill."

In accordance with the above, separate prices were quoted by the Board on and after February 16, 1954 for wheat in store Pacific Coast ports, Fort William/Port Arthur and Port Churchill. On that date the Board reduced its selling prices for wheat basis in store Fort William/Port Arthur by 7c per bushel. This selling differential as between Pacific Coast Ports and Fort William/Port Arthur continued until June 1st when it was narrowed to 6c per bushel, the latter differential continuing until the end of the crop year.

On February 16th the Board posted its first quotation for the 1954 season for wheat basis in store Port Churchill. On that date wheat in store Port Churchill was quoted at a price which was 9c per bushel over the Board's quoted prices basis in store Fort William/Port Arthur, this relationship remaining constant until the end of the crop year.

Monthly average Board quotations for wheat for 1953-54 are shown in the following table:

MONTHLY AVERAGE OF BOARD QUOTED PRICES

	I.W.A. Asking Prices			Class II Asking Prices		
	Basis No. 1 Nor. Wheat in store			Basis No. 1 Nor. Wheat in store		
	Ft. Wm/Pt. Ar.	Vancouver	Churchill	Ft. Wm/Pt. Ar.	Vancouver	Churchill
	(cents per bushel)			(cents per bushel)		
August, 1953.....	201 $\frac{1}{4}$	201 $\frac{1}{4}$	—	202 $\frac{1}{8}$	202 $\frac{1}{8}$	—
September.....	200 $\frac{1}{8}$	200 $\frac{1}{8}$	—	200 $\frac{1}{4}$	200 $\frac{1}{4}$	—
October.....	195 $\frac{1}{8}$	195 $\frac{1}{8}$	—	195 $\frac{1}{8}$	195 $\frac{1}{8}$	—
November.....	190	190	—	190	190	—
December.....	188 $\frac{1}{2}$	188 $\frac{1}{2}$	—	188 $\frac{1}{2}$	188 $\frac{1}{2}$	—
January, 1954.....	188 $\frac{1}{2}$	188 $\frac{1}{2}$	—	188 $\frac{1}{2}$	188 $\frac{1}{2}$	—
February.....	183 $\frac{3}{8}$	186 $\frac{1}{2}$	187 $\frac{7}{8}$ *	183 $\frac{3}{8}$	186 $\frac{1}{2}$	187 $\frac{7}{8}$ *
March.....	180	187	189	180	187	189
April.....	182 $\frac{3}{8}$	189 $\frac{3}{8}$	191 $\frac{3}{8}$	182 $\frac{3}{8}$	189 $\frac{3}{8}$	191 $\frac{3}{8}$
May.....	182 $\frac{3}{4}$	189 $\frac{3}{4}$	191 $\frac{3}{4}$	182 $\frac{3}{4}$	189 $\frac{3}{4}$	191 $\frac{3}{4}$
June.....	174	180	183	174	180	183
July.....	170 $\frac{3}{4}$	176 $\frac{3}{4}$	179 $\frac{3}{4}$	170 $\frac{3}{4}$	176 $\frac{3}{4}$	179 $\frac{3}{4}$

*Average from February 16th to 28th only.

From August 1, 1953 to July 31, 1954 the Board sold wheat for domestic use at the same prices as it sold wheat for export under the terms of the International Wheat Agreement. This was pursuant to Order in Council P.C. 1953-1045, July 2, 1953.

By authority of Order in Council P.C. 1953-1478, September 24, 1953, the Board's domestic selling prices for Amber Durum grades were increased 10c per bushel over the price at which the Board sold similar grades of wheat under the terms of the International Wheat Agreement. The increased domestic price for Amber Durum grades reflected the higher initial payment for these grades in effect for the crop year 1953-54.

Throughout the crop year Board selling prices for Amber Durum Wheat sold under the International Wheat Agreement were at the maximum prices provided under the Agreement. Higher prices prevailed for Amber Durum Wheat sold on a Class II basis.

SALES OF WHEAT—1953-54

Board sales of wheat and wheat for flour for registration under the terms of the revised International Wheat Agreement amounted to 94.1 million bushels in 1953-54. Actual registrations of Canadian sales of wheat and flour under the revised Agreement totalled 90.9 million bushels against a guaranteed quantity of 150.8 million bushels for the crop year 1953-54. A number of countries signatory to the Agreement elected to purchase quantities of Canadian wheat on a Class II basis in addition to their Agreement purchases.

Total Board sales of wheat on a Class II basis amounted to 123.5 million bushels, including 76.4 million bushels to the United Kingdom and 47.1 million bushels to other countries. Since the United Kingdom was not a signatory country to the revised International Wheat Agreement all sales of Canadian wheat and wheat flour to the United Kingdom and its colonies were on a Class II basis during the crop year. Sales made outside of the Agreement included 15.9 million bushels of wheat for flour in a wide range of markets. Sales of wheat to the United States for consumption also were on a Class II basis.

Sales of wheat for consumption in the domestic market amounted to 53.7 million bushels in 1953-54.

The following table summarizes Board sales of wheat for 1953-54:

	Total Sales (Bushels)
Domestic sales.....	53,715,298.1
Export sales at Class II prices.....	123,529,730.3
Export sales under the terms of the International Wheat Agreement.....	94,100,155.4
Weight losses in transit and in drying.....	119,872.3
TOTAL SALES.....	271,465,056.1

Total Board sales of wheat during the crop year 1953-54 amounted to 271,465,056.1 bushels, of which 101,547,023.2 bushels were applied to the 1952-53 Pool Account and 169,918,032.9 bushels were applied to the 1953-54 Pool Account.

EXPORTS

The following table shows exports of wheat (including flour) by months for the crop year 1953-54:*

	(Million Bushels)
August, 1953.....	28.4
September.....	24.2
October.....	25.7
November.....	24.4
December.....	17.7
January, 1954.....	17.8 138.2
February.....	13.7
March.....	18.9
April.....	15.3
May.....	22.5
June.....	25.2
July.....	21.3 116.9
TOTAL.....	255.1

Total wheat exports, including flour, amounted to 255.1 million bushels in the crop year 1953-54 as compared with 385.5 million bushels in the previous crop year.

*Source: Board of Grain Commissioners for Canada. Includes exports of Ontario Winter Wheat. Figures subject to revision.

The following table shows exports of Canadian wheat and flour by countries of destination for 1953-54 as compared with 1952-53:

EXPORTS OF WHEAT AND WHEAT FLOUR*

CROP YEARS 1952-53 AND 1953-54

Continental Areas and Countries

Area	Country	Crop Year 1953-54			Crop Year 1952-53 Total
		Wheat	Flour (Wheat Equivalent) (bushels)	Total	
EUROPE:					
	United Kingdom.....	65,809,195	16,230,497	82,039,692	122,853,789
	Germany.....	20,699,355	627,953	21,327,308	24,346,939
	Belgium.....	13,285,003	—	13,285,003	20,926,028
	Switzerland.....	9,884,905	180	9,885,085	10,538,617
	Netherlands.....	6,814,869	17,451	6,832,320	15,598,587
	Spain.....	3,424,966	—	3,424,966	3,202,046
	Norway.....	3,186,992	—	3,186,992	5,889,269
	Ireland.....	1,950,554	—	1,950,554	6,532,999
	Malta.....	1,683,173	—	1,683,173	1,471,366
	Denmark.....	878,700	1,354	880,054	2,267,918
	France.....	709,334	15,151	724,485	1,287,165
	Italy.....	382,922	176,472	559,394	13,573,484
	Portugal.....	354,667	57,622	412,289	1,051,908
	Austria.....	350,000	—	350,000	2,519,007
	Iceland.....	—	172,755	172,755	63,405
	Finland.....	161,680	—	161,680	—
	Gibraltar.....	—	135,423	135,423	152,694
	Yugoslavia.....	—	18,720	18,720	10,255,982
	Greece.....	—	—	—	750,485
	Sweden.....	—	—	—	734,084
	TOTAL.....	129,576,315	17,453,578	147,029,893	244,015,772
ASIA:					
	Japan.....	39,387,301	1,029,078	40,416,379	14,961,910
	Philippine Islands.....	—	5,153,202	5,153,202	5,361,606
	Israel.....	4,482,864	3,060	4,485,924	2,493,339
	India.....	4,272,438	76	4,272,514	14,056,008
	Hong Kong.....	168,560	1,043,690	1,212,250	1,242,856
	Korea.....	—	1,054,273	1,054,273	1,449,909
	British Malaya and Singapore.....	—	368,951	368,951	415,930
	Thailand.....	—	310,005	310,005	277,250
	Ceylon.....	—	242,829	242,829	1,462,460
	Lebanon.....	—	126,680	126,680	5,619,270
	Saudi Arabia.....	—	99,094	99,094	209,383
	Formosa.....	79,707	—	79,707	66,581
	Indonesia.....	—	72,041	72,041	86,791
	Pakistan.....	—	—	—	14,450,901
	Other Countries.....	—	36,662	36,662	132,719
	TOTAL.....	48,390,870	9,539,641	57,930,511	62,286,913

(This table continued on page 12)

Area	Country	Crop Year 1953-54			Crop Year 1952-53 Total
		Wheat	Flour (Wheat Equivalent) (bushels)	Total	
CENTRAL AMERICA AND THE CARIBBEAN AREA:					
	Trinidad and Tobago.....	—	2,228,148	2,228,148	1,884,772
	Cuba.....	1,149,217	903,704	2,052,921	1,361,771
	Jamaica.....	3,490	1,794,708	1,798,198	1,352,388
	Leeward and Windward Islands.....	—	997,200	997,200	1,037,781
	Haiti.....	—	609,971	609,971	235,147
	Dominican Republic.....	—	510,849	510,849	122,427
	Costa Rica.....	40,000	455,328	495,328	408,753
	Guatemala.....	—	438,615	438,615	284,535
	Barbados.....	1,508	433,498	435,006	366,515
	Panama.....	—	355,559	355,559	294,862
	Nicaragua.....	—	300,524	300,524	176,872
	El Salvador.....	—	295,727	295,727	221,931
	Bahamas.....	—	262,840	262,840	242,762
	Netherlands West Indies.....	—	252,648	252,648	167,796
	Bermuda.....	—	117,850	117,850	110,264
	British Honduras.....	—	56,093	56,093	53,073
	Other Countries.....	6,667	40,913	47,580	28,601
	TOTAL.....	1,200,882	10,054,175	11,255,057	8,350,250
SOUTH AMERICA:					
	Brazil.....	7,705,841	1,440	7,707,281	11,409,457
	Venezuela.....	11,480	4,183,911	4,195,391	2,865,936
	Ecuador.....	2,005,800	42,462	2,048,262	678,938
	Colombia.....	1,270,089	772,475	2,042,564	488,694
	Peru.....	1,567,351	41,121	1,608,472	5,631,409
	British Guiana.....	—	982,219	982,219	969,507
	Bolivia.....	846,120	17,626	863,746	2,283,607
	Surinam.....	—	195,066	195,066	170,564
	Chile.....	—	—	—	1,477,534
	Other Countries.....	—	—	—	4
	TOTAL.....	13,406,681	6,236,320	19,643,001	25,975,650

(This table concluded on page 13)

Area	Country	Wheat	Crop Year 1953-54	Total	Crop Year 1952-53 Total
			Flour (Wheat Equivalent) (bushels)		
AFRICA:					
	Union of South Africa.....	7,722,960	—	7,722,960	5,675,599
	Gold Coast.....	—	901,170	901,170	141,381
	Belgian Congo.....	9,186	705,596	714,782	211,846
	Nigeria.....	—	534,537	534,537	129,029
	Libya.....	451,734	—	451,734	772,800
	Portuguese Africa.....	398,346	52,136	450,482	220,708
	Morocco.....	—	294,692	294,692	574,686
	Sierra Leone.....	—	116,352	116,352	53,928
	Azores and Madeira.....	—	58,819	58,819	34,654
	Egypt.....	—	6,367	6,367	13,905,063
	Other Countries.....	—	56,758	56,758	32,823
	TOTAL.....	8,582,226	2,726,427	11,308,653	21,752,517
NORTH AMERICA:					
	United States:				
	Consumption.....	5,517,413	281,417	5,798,830	17,364,050
	Milling in Bond.....	2,160,739	—	2,160,739	5,763,620
	Total United States.....	7,678,152	281,417	7,959,569	23,127,670
	Other Countries.....	—	20,466	20,466	17,769
	TOTAL.....	7,678,152	301,883	7,980,035	23,145,439
GRAND TOTAL.....		208,835,126	46,312,024	255,147,150	385,526,541

*Source: Board of Grain Commissioners for Canada. Includes exports of Ontario Winter Wheat.
Figures for 1953-54 subject to revision

The general level of Canadian exports in 1953-54 followed the downward trend which existed in international wheat and flour trading during the crop year, with demand holding more strongly in markets for Canadian flour than in wheat markets. As a result of unusually high levels of world grain production, the release of reserve stocks of wheat for domestic consumption in a number of European countries and the emergence of several countries as important exporters, the regional pattern of Canadian exports of wheat and flour was modified in some important respects in comparison with the previous year. While the volume of Canadian wheat and flour moving into certain regions was sharply reduced from the levels attained in 1952-53, exports to other markets were well maintained and in a few instances showed a marked increase over the previous year.

Europe again constituted the principal external market for wheat and flour in 1953-54, importing from Canada a total of 147.0 million bushels of wheat and flour, or 58% of Canadian exports as compared with 244.0 million bushels, or 63% of total exports in the crop year 1952-53. The United Kingdom continued to provide the largest single market for both wheat and flour. In most countries, total import requirements were sharply reduced following excellent 1953 harvests through most of Europe and the releasing of reserve wheat stocks. Declines from the high level of exports reached by Canada the previous year were most apparent in countries such as Italy, Yugoslavia, the United Kingdom, Belgium, the Netherlands and Ireland. Exports to a few European countries, notably Germany, Switzerland and Spain were nearly maintained at the level attained the previous year.

Asia provided the second external market of major importance for Canadian wheat and flour, importing 57.9 million bushels or 23% of Canadian exports as compared with 62.3 million bushels or 16% of total exports in 1952-53. Marked reductions which occurred in wheat and flour exports to India, Pakistan, Ceylon and Lebanon due to increased production in those countries or other reasons, were almost offset by increases in exports to Japan and Israel. The unusually strong Japanese demand for Canadian wheat resulted in part from a change-over in public taste from rice to wheat products and from a deficiency in that country's production of cereal grains in 1953. Markets for Canadian flour in the Philippine Islands and Hong Kong also were well maintained.

Central America and the Caribbean area purchased 11.3 million bushels, consisting chiefly of flour as compared with 8.3 million bushels in 1952-53. The volumes of flour exported to this

area during 1953-54 were increased in virtually every individual market over the levels attained in the previous crop year.

South America purchased 19.6 million bushels of wheat and flour or approximately 8% of total Canadian exports in 1953-54 as compared with 26.0 million bushels in 1952-53. The return of the Argentine as a normal supplier in international wheat trading was a factor in the reducing of Canadian exports to certain markets in South America such as Brazil, Peru, Bolivia and Chile. These are markets in which the Argentine enjoys a natural geographic advantage and to which that country has been a traditional supplier. However, declining Canadian exports to countries situated in the southern regions of the continent were partially offset by increased sales of both wheat and flour to northern markets, particularly Venezuela, Ecuador, Columbia, British Guiana and Surinam.

Exports to Africa totalled 11.3 million bushels in 1953-54 as compared with 21.8 million bushels the previous year. Reductions in the purchase of Canadian wheat and flour below the level of the previous year occurred entirely in the northern countries of Africa, including Egypt, Lybia and the French Colonies, where domestic production was large in 1953. Increased exports were recorded to markets located in the southern and western regions of the continent, particularly the Union of South Africa, Gold Coast, Belgian Congo and Nigeria.

Exports to the United States, consisting principally of low grade wheat for feeding purposes, amounted to 8.0 million bushels as compared with 23.1 million bushels in 1952-53. The important decline in exports to this market resulted largely from a greater availability of feed supplies in the United States throughout the crop year.

WHEAT EXPORTS BY PORTS*

Exports of wheat (including Ontario Winter Wheat) through Eastern Canadian ports in 1953-54 amounted to 76.7 million bushels, of which 9.7 million bushels were shipped through Atlantic ports, 66.9 million bushels through St. Lawrence ports and .1 million bushels direct from the Lakehead to overseas markets. Pacific Coast clearances totalled 113.3 million bushels for the crop year, while exports through the Port of Churchill reached 11.0 million bushels. These were record clearances both for Pacific Coast Ports and for the Port of Churchill. A total of 8.0 million bushels was shipped to destinations in the United States, of which .1 million bushels were re-exported via United States Atlantic ports.

*Source: Board of Grain Commissioners for Canada. Figures subject to revision.

UTILIZATION OF SPECIAL ACCOUNT

Section 29A of The Canadian Wheat Board Act provides that unclaimed balances in the hands of the Board which are six years old or more may, with the approval of Governor in Council, be transferred to a Special Account. The Act specifically sets forth that these funds shall be used "for such purposes as the Governor in Council upon the recommendation of the Board may deem to be for the benefit of producers".

During the crop year 1953-54 two projects were inaugurated upon the recommendation of the Board and with the approval of Governor in Council. These were:

(1) The bringing to Canada of representatives of importing countries to inspect and evaluate the methods of production, handling and marketing of western wheat and products thereof. Under this project three visiting Missions were brought to Canada. The first Mission came from the United States of Brazil and consisted of four representatives of that country. The second Mission represented Switzerland and Ireland, while the third Mission represented Japan.

(2) The second project inaugurated during the crop year was the preparation of a motion picture illustrating the most important phases of production, transportation, handling and marketing of western wheat. This film is a sound film in color, and should be ready for distribution in Canadian wheat and flour markets by June, 1955. The sound track will be in seven languages. The film when completed will be shown in importing countries through the offices of the Canadian Trade Commissioner service. It is hoped that through this film buyers in importing countries and prospective importing countries will secure a better understanding of Canadian wheat as a quality milling product.

These projects were authorized by Order in Council P.C. 1954-956, June 24, 1954.

It is the intention of the Board to bring further Missions from importing countries to Canada during the summer of 1955. It is the view of the Board that there is great merit in bringing representatives of importing countries to Canada and letting them see at first hand how Canadian wheat is handled from farm to seaboard.

SALES MISSIONS

In addition to the efforts of the Board's Agents (Shippers and Exporters and Mill representatives)

who were most active in negotiating for the sale of Canadian wheat and flour in importing markets, members and officials of the Board were closely in touch with importing markets. During the crop year members of the Board or its representatives visited the United Kingdom, Ireland, Germany, Belgium, Switzerland, the Netherlands, Norway, Spain, Portugal, Italy, Austria and Yugoslavia.

A special grain mission to the Far East was carried out early in 1954 headed by Mr. Riddel, along with Dr. J. A. Anderson, Chief Chemist, Board of Grain Commissioners for Canada, and Mr. G. N. Vogel, Chief, Grain Division, Department of Trade and Commerce. The countries reached by this mission included Japan, Hong Kong, the Philippines, Singapore, Indonesia, Ceylon, India and Pakistan.

Representatives of the Board continued to maintain a close personal contact with important Caribbean and South American markets in 1953-54.

The Board is pleased to acknowledge the assistance which it received continuously through the crop year from the Grain Division of the Department of Trade and Commerce, and from the Canadian Trade Commissioners abroad, in advising the Board of market developments and in facilitating the marketing of Canadian wheat and flour.

9. 1953-54 Pool Account—Oats

OATS POLICY

Parts III and IV of The Canadian Wheat Board Act were extended to oats for the crop year 1953-54 under authority of Order in Council P.C. 1953-1045, July 2, 1953. By the same authority, the initial price of oats was established at 65c per bushel basis No. 2 Canada Western Oats in store Fort William/Port Arthur. Initial prices for oats were not increased during the crop year 1953-54.

Order in Council P.C. 1954-1661, November 3, 1954 authorized the transfer of unsold stocks of oats in the 1953-54 Pool as at October 15, 1954 to the 1954-55 Pool. The distribution of the final surplus in the 1953-54 Oats Pool to the producers was approved by Order in Council P.C. 1954-1662, November 3, 1954.

BOARD RECEIPTS

The following table shows receipts of oats from producers by months, from August 1, 1953 to July 31, 1954:

	Bushels
August, 1953.....	7,118,377.0
September.....	5,484,220.2
October.....	8,801,828.2
November.....	10,788,741.6
December.....	6,368,614.8
January, 1954.....	7,230,473.1
February.....	11,590,862.8
March.....	6,004,029.4
April.....	3,698,898.9
May.....	2,841,497.9
June.....	5,766,844.7
July.....	14,030,902.5
TOTAL.....	<u>89,725,291.1</u>

Board receipts of oats from producers in 1953-54 were 89,725,291.1 bushels as compared with 118,967,962.5 bushels in the preceding crop year. Receipts of oats from others than producers amounted to 124.0 bushels in 1953-54.

GRADE PATTERN OF BOARD RECEIPTS

The following table shows Board receipts of oats from producers by principal grades, for the crop year 1953-54, together with the percentage of total receipts represented by each of the principal grades:

Grade (Including Toughs and Damps)	Total Bushels	% of Total
No. 2 Canada Western.....	975,638.0	1.1
No. 3 Canada Western.....	15,222,467.4	17.0
Extra No. 1 Feed.....	19,070,506.2	21.3
No. 1 Feed.....	49,904,564.6	55.6
No. 2 Feed.....	3,499,376.2	3.9
No. 3 Feed.....	380,354.8	.4
Other Grades.....	672,383.9	.7
TOTAL.....	<u>89,725,291.1</u>	<u>100.0</u>

Board receipts were highly concentrated in three principal grades, No. 3 Canada Western, Extra No. 1 Feed and No. 1 Feed. Receipts of No. 1 Feed Oats comprised over half of total receipts.

POOL RECEIPTS AND SALES— 1953-54 OATS POOL

The 1953-54 Oats Pool was closed on October 15, 1954. The following table shows the position of the Pool on the closing date:

	Bushels
Board receipts.....	89,725,415.1 ^①
Transferred from the 1952-53 Pool.....	12,787,444.1
TOTAL RECEIPTS.....	102,512,859.2
Completed sales, August 1, 1953 to October 15, 1954.....	96,794,228.7 ^②
Uncompleted sales as at October 15, 1954.....	<u>5,718,630.5</u>

①Includes receipts of 124.0 bushels from others than producers.

②Includes 791.4 bushels of weight losses in drying.

TRANSFER TO THE 1954-55 POOL

Remaining stocks of oats and related sales of future contracts were transferred to the 1954-55 Pool as at October 15, 1954. The principal grades of oats transferred were:

	Bushels
Extra No. 1 Feed.....	1,987,437.5
No. 1 Feed.....	2,415,408.1
No. 2 Feed.....	476,224.9
No. 3 Feed.....	124,355.3
Tough Extra No. 1 Feed.....	137,490.2
Tough No. 1 Feed.....	294,368.1
All other grades.....	283,346.4
TOTAL.....	<u>5,718,630.5</u>

The transfer was made under provisions of Section 29 of The Canadian Wheat Board Act, and was authorized by Order in Council P.C. 1954-1661, November 3, 1954.

PRICE BASIS OF TRANSFER

All cash oats remaining unsold from the 1953-54 Pool on October 15, 1954 had previously been covered by futures contracts. The actual transfer therefore involved pricing the various grades of oats in relation to the closing price of the October and December futures on October 15, which were 92½¢ per bushel and 86¢ per bushel respectively. An allowance of 1½¢ per bushel for carrying charges subsequent to the transfer date was made on all grades of oats transferred.

1953-54 Pool Account—Oats

The following table shows the operating results of the 1953-54 Oats Pool from August 1, 1953 to the closing date of the Pool on October 15, 1954:

1. Oats acquired by the Board:	<u>Bushels</u>	
(a) Producers' deliveries, August 1, 1953 to July 31, 1954.....	89,725,291.1	
(b) Oats otherwise acquired..... ①	124.0	
(c) Purchased from 1952-53 Pool Account—Oats.....	12,787,444.1	
Total oats acquired.....	<u>102,512,859.2</u>	
	(Value)	(Value)
2. Cost of oats acquired.....		\$62,694,449.04
3. Proceeds of sales—August 1, 1953 to October 15, 1954.....	\$66,172,478.27	
Transferred to 1954-55 Pool as at October 15, 1954..... ②	<u>5,141,127.31</u>	<u>71,313,605.58</u>
4. Gross surplus as at October 15, 1954.....		8,619,156.54
5. Operating costs—August 1, 1953 to October 15, 1954:		
(a) Carrying charges including terminal storage.....	2,579,544.40	
(b) Interest and bank charges..... (	11,853.00)	
(c) Freight recovery on export oats..... (	44,982.63)	
(d) Drying charges.....	846.12	
(e) Brokerage and Clearing Association charges.....	20,987.86	
(f) Administrative and general expenses.....	<u>336,534.03</u>	<u>2,881,076.78</u>
6. Surplus in the 1953-54 Oats Pool Account as at October 15, 1954.....		<u>\$ 5,738,079.76</u>

①Purchases from non-producers at the Board's initial prices basis in store Fort William/Port Arthur.

②For details of transfer see page 16 of this Report.

OPERATING COSTS—1953-54 OATS POOL

Net Board operating costs applicable to the 1953-54 Oats Pool were \$2,881,076.78. Of these costs, carrying charges in country and terminal elevators amounted to \$2,579,544.40. The second largest cost was the Board's administrative and general expenses in the amount of \$336,534.03 or

.3751 cent per bushel on producers' deliveries of 89,725,291.1 bushels. Brokerage and Clearing Association charges were \$20,987.86, while drying charges amounted to \$846.12. Interest and bank charges resulted in a net surplus of \$11,853.00 while freight recoveries on export oats amounted to \$44,982.63.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1953-54 Oats Pool for distribution to producers was as follows:

Surplus as at October 15, 1954		\$5,738,079.76
<i>Deduct:</i> Prairie Farm Assistance Act levy	\$56,880.10	
Cost of issuing final payment	69,995.33	126,875.43
		<u>5,611,204.33</u>
<i>Add:</i> Additional interest earned after October 15, 1954		19,926.07
Surplus for distribution to producers		<u>\$5,631,130.40</u>

The following table shows initial payments, final payments, and prices (basis in store Fort William/Port Arthur) realized by producers for the principal grades of oats delivered to the Board in

1953-54 after deducting Board operating costs, including carrying charges in country and terminal elevators and Board administrative expenses:

	Initial* Payment	Final* Payment (cents per bushel)	Realized* Price
No. 2 Canada Western	65	5.517	70.517
Extra No. 3 Canada Western	62	6.369	68.369
No. 3 Canada Western	62	5.839	67.839
Extra No. 1 Feed	62	6.143	68.143
No. 1 Feed	60	6.175	66.175
No. 2 Feed	55	9.181	64.181
No. 3 Feed	48	13.370	61.370
Tough No. 3 Canada Western	58	8.839	66.839
Tough Extra No. 1 Feed	58	9.143	67.143
Tough No. 1 Feed	56	9.175	65.175
Tough No. 2 Feed	51	12.181	63.181

The final payment in the 1953-54 Oats Pool was approved by Order in Council P.C. 1954-1662, November 3, 1954. The issuance of cheques in connection with the final payment was commenced

on November 9, 1954 and completed on November 24, 1954. On producers' deliveries of 89,725,291.1 bushels of oats to the Pool the average final payment was 6.27596c per bushel.

*Prices and payments prior to deduction of Prairie Farm Assistance Act levy.

GENERAL COMMENT ON THE MARKETING OF OATS—1953-54

On August 1, 1953 commercial supplies of oats in store in Canada amounted to 53.3 million bushels and increased quantities of oats had been carried over on farms from the 1952 crop. Yields in 1953, while lower than in 1952, were still above average. Early in the crop year elevator agents estimated that the quantity of deliverable oats on farms in the Prairie Provinces was in excess of 150 million bushels.

Having regard to this supply position the Board had to exert every effort to secure the

widest possible distribution of oats within the crop year. A satisfactory domestic and export movement was effected although price levels were not attractive during the greater part of the crop year. Through its delivery quota policy the Board endeavoured to provide adequate supplies of oats in commercial positions to meet domestic and export demand. Generally speaking, it was a difficult marketing year.

The following table shows Board purchases and net sales of oats by months, and stocks of oats held by the Board at the end of each month:

	Purchases	Sales ^① (bushels)	Unsold Stocks
August, 1953.....	7,118,377.0	34,190.6	7,084,186.4
September.....	5,484,235.7	122,600.7	12,445,821.4
October.....	21,589,281.3 ^②	24,157,102.0 ^②	9,878,000.7
November.....	10,788,764.6	7,919,328.2	12,747,437.1
December.....	6,368,621.8	7,823,703.0	11,292,355.9
January, 1954.....	7,230,481.1	5,976,872.4	12,545,964.6
February.....	11,590,878.8	2,243,593.9	21,893,249.5
March.....	6,004,038.9	4,212,413.0	23,684,875.4
April.....	3,698,898.9	6,444,806.0	20,938,968.3
May.....	2,841,509.9	7,271,332.7	16,509,145.5
June.....	5,766,844.7	9,358,922.0	12,917,068.2
July.....	14,030,926.5	9,205,107.6	17,742,887.1
August.....	—	16,832,507.7	910,379.4
September.....	—	910,379.4	—
TOTAL.....	<u>102,512,859.2</u>	<u>102,512,859.2</u>	<u>—</u>

①Includes weight losses in drying amounting to 791.4 bushels.

②Includes purchases of 12,787,444.1 bushels from the 1952-53 Pool Account—Oats, and relevant sales of futures.

Sales of oats delivered to the 1953-54 Pool were very small in August, September and the early part of October, since most sales during this period were credited to the 1952-53 Pool which was closed on October 9, 1953. Sales were steady throughout the latter part of October and in the succeeding three months. Reflecting listless demand, oats sales in February were relatively small but improved in March, April, May and June. During the latter period prices reached the low point of the year, Board quotations for No. 1 Feed Oats averaging 66¾ cents per bushel during the month of May.

In July demand improved considerably and towards the end of the month slightly higher

prices were recorded. Influenced by the 1954 growing season and a moderate improvement in demand, the Board was able to dispose of nearly 17 million bushels of oats in the month of August, during which time Board quoted prices advanced approximately 5c per bushel. The relatively large sales in August, 1954 combined with higher price levels prevailing, enabled the 1953-54 Oats Pool to be wound up on October 15, 1954 with a larger surplus than had been expected earlier in the crop year.

Sales of oats amounted to 102.5 million bushels; of these sales, 80.8 million bushels were sold in the futures market and 21.7 million bushels were sold on a flat basis.

Exports of oats in 1953-54 amounted to 70.7 million bushels as compared with 65.4 million bushels in the previous crop year. The following table shows exports of oats in 1952-53 and 1953-54 by principal countries of destination:*

	1952-53	1953-54
	(million bushels)	
United States.....	59.5	65.9
Belgium.....	4.3	2.1
United Kingdom.....	.6	1.5
Switzerland.....	.4	—
Others.....	.1	.4
	64.9	69.9
Rolled Oats and Oatmeal.....	.5	.8
TOTAL.....	65.4	70.7

The United States was again the principal export market for oats, taking 65.9 million bushels. Belgium and the United Kingdom took 2.1 and 1.5 million bushels respectively.

The trend of Board selling prices for oats is illustrated by the following table showing the monthly average of Board quotations for No. 1 Feed Oats, along with the high and low prices recorded in each month from August, 1953 to October, 1954 (all prices basis in store Fort William/Port Arthur):†

	High	Low	Average
	(cents per bushel)		
August, 1953.....	75	66¾	71¾
September.....	68½	65¾	67¼
October.....	71¼	66	68¾
November.....	72	66¾	69½
December.....	69	66¼	67⅝
January, 1954.....	71½	68¼	70
February.....	71½	69¼	70¼
March.....	69¾	68¼	69⅛
April.....	70¼	68¾	69½
May.....	68¼	65¼	66¾
June.....	69¾	67¾	68¾
July.....	72¾	67¼	68¾
August.....	78¾	72¾	74⅝
September.....	86¼	78½	83¼
October 1-15.....	91	88¼	89½

It will be noted in the above table that Board selling prices for oats declined sharply in the first month of the crop year, reaching a low of 66¾c per bushel and averaging 71¾c per bushel for the

month of August, 1953. The average Board quotations for No. 1 Feed Oats was below 70c per bushel for the September-December period. A slight recovery took place in January and February, 1954, the monthly average being 70c per bushel or fractionally higher. Market prices were again weak from March through July, a low of 65¼c per bushel being recorded in May. Under the influence of crop development in the Prairie Provinces and an improved demand for oats, prices advanced sharply in August and September and again during the first half of October.

THE UNITED STATES MARKET FOR CANADIAN OATS

In June, 1953 a reference was made to the United States Tariff Commission under Section 22 of the Agricultural Adjustment Act for a determination of whether the importation of "hulled or unhulled oats and unhulled ground oats are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support programme with respect to oats undertaken by the United States Department of Agriculture pursuant to Sections 301 and 401 of the Agricultural Act of 1949, or to reduce substantially the amount of products processed in the United States from domestic oats."

The actual hearings were held on July 7th and 8th, 1953. The Chief Commissioner of the Board appeared before the United States Tariff Commission at that time in support of the contention that new restrictions should not be placed on the volume of Canadian oats moving into the United States market.

The United States Tariff Commission decided otherwise, and on October 9, 1953 recommended that for the twelve-month period beginning on October 1, 1953 and in subsequent years, imports of oats into the United States should be limited to 23 million bushels (32 lb. oats). The United States Tariff Commission agreed "to observe future developments with respect to the trade in oats for which quantitative restrictions are herein recommended and the effects of imports thereof upon the oat price-support programme of the Department of Agriculture, and will take such action as may be appropriate when necessary for the purposes of Section 22 (d) of the Agricultural Adjustment Act, as amended". The Report of the Tariff Commission was submitted to the President of the United States as required. No action was taken upon the recommendation of the Tariff Commission until December, 1953 when the importation of Canadian oats into the United States became a matter of discussion between the governments of the two countries.

*Source: Board of Grain Commissioners for Canada. Figures subject to revision.

†The initial price paid to producers for No. 1 Feed Oats in 1953-54 was 60c per bushel basis in store Fort William/Port Arthur.

The Government of the United States suggested that Canada should limit exports of oats to the United States to 23 million bushels for the period from December 10, 1953 to September 30, 1954. In reply to this suggestion the Canadian Government pointed out that it attached the greatest importance to the extension of mutually profitable trade between Canada and the United States. However, in a desire to meet President Eisenhower's request for co-operation in this matter, the Canadian Government decided, as a temporary measure, to take all practical steps to limit Canadian oats to the United States to the extent and for the period suggested by the United States Government, provided that the United States imports from other supplying countries were not increased.

The arrangement which was decided upon between the governments of the two countries represented an important advance over the recommendation of the United States Tariff Commission. The Commission had recommended a continuing limitation on the import of oats into the United States, whereas the governmental arrangement was for a limited period only. In addition, the Tariff Commission recommended that the restriction of 23 million bushels should apply for the twelve month period from October 1, 1953 to September 30, 1954 (and for ensuing years). The arrangement worked out provided for a restriction of exports from Canada to 23 million bushels for the period from December 10, 1953 to September 30, 1954. This was very important because shipments of Canadian oats to the United States from August 1, 1953 to December 10, 1953 had amounted to 43 million bushels. These shipments already made, plus the 23 million bushels provided for under the arrangement, meant that the American market was open for a substantial volume of oats during the crop year 1953-54; actual exports amounting to 65.9 million bushels.

The Board was responsible for the administration of the limitation of the 23 million bushels described above. Every care was taken to assure that the arrangement from Canada's side would be carried out and at the conclusion of the restricted period it was possible for the Board to report to the Government that the arrangement had been completely implemented as far as Canada was concerned.

The events of 1953-54 in respect to the United States market for Canadian oats brought into relief two important considerations. The first was that there is a very substantial demand in the United States, and more particularly in the north-eastern part of the United States, for high quality Canadian oats providing such oats can be delivered at competitive prices. The second consideration is that producers in the Prairie Provinces require a substantial market for oats in the United States if the present division of prairie grain acreages

is to be continued. For these reasons every effort must be made to keep open this important channel of trade which has an inherent advantage to both countries.

10. 1953-54 Pool Account—Barley

BARLEY POLICY

Parts III and IV of The Canadian Wheat Board Act were extended to barley for the crop year 1953-54 under authority of Order in Council P.C. 1953-1045, July 2, 1953. By the same authority, the initial price of barley was established at 96c per bushel basis No. 3 Canada Western Six-Row Barley in store Fort William/Fort Arthur. Initial prices for barley were not increased during the crop year 1953-54.

The transfer of unsold stocks of barley in the 1953-54 Pool as at September 30, 1954 to the 1954-55 Pool was authorized by Order in Council P.C. 1954-1575, October 19, 1954. The distribution of the final surplus in the 1953-54 Barley Pool to the producers was approved by Order in Council P.C. 1954-1576, October 19, 1954.

BOARD RECEIPTS

The following table shows receipts of barley from producers, by months, from August 1, 1953 to July 31, 1954:

	Bushels
August, 1953.....	3,027,875.0
September.....	7,806,950.8
October.....	15,374,487.0
November.....	10,694,359.0
December.....	11,311,235.2
January, 1954.....	7,424,758.5
February.....	4,854,659.7
March.....	4,922,723.4
April.....	4,732,147.7
May.....	4,533,172.5
June.....	6,440,147.4
July.....	20,071,437.4
TOTAL.....	<u>101,193,953.6</u>

Board receipts of barley from producers in 1953-54 amounted to 101,193,953.6 bushels as compared with receipts of 164,886,884.1 bushels in the previous crop year. Receipts of barley from others than producers amounted to 453.9 bushels in 1953-54.

Producers' deliveries of barley throughout the crop year 1953-54 were related to delivery quotas and to the provision whereby producers could market over the quota a carlot of barley suitable for malting and accepted by shippers and processors for that purpose.

GRADE PATTERN OF BOARD RECEIPTS

The following table shows Board receipts of barley from producers by principal grades in 1953-54:

Grade (Including Toughs and Damps)	Total Bushels	% of Total
No. 2 C.W. Six-Row.	2,028,821.2	2.0
No. 3 C.W. Six-Row.....	27,274,597.0	27.0
No. 4 C.W. Six-Row.....	1,978,283.7	2.0
No. 2 C.W. Two-Row.....	493,338.2	.5
No. 3 C.W. Two-Row.....	3,011,635.2	3.0
No. 1 Feed.....	43,240,219.7	42.6
No. 2 Feed.....	19,104,248.6	18.9
No. 3 Feed.....	3,700,765.4	3.7
All other grades.....	362,044.6	.3
TOTAL.....	101,193,953.6	100.0

About two-thirds of Board receipts of barley graded No. 1, No. 2 or No. 3 Feed. Of the malting grades, No. 3 C.W. Six-Row predominated with receipts of 27.3 million bushels.

SALES—1953-54 BARLEY POOL

The 1953-54 Barley Pool was closed on September 30, 1954. The following table shows the position of the Pool on the closing date:

	Bushels
Board receipts.....	101,194,407.5①
Transferred from the 1952-53 Pool.....	17,585,852.4
Total receipts.....	118,780,259.9
Completed sales to September 30, 1954.....	97,665,020.5②
Uncompleted sales as at September 30, 1954.....	<u>21,115,239.4</u>

①Includes receipts of 453.9 bushels from others than producers.

②Includes 1,909.7 bushels of weight losses in drying.

TRANSFER TO THE 1954-55 POOL

As at September 30, 1954, 21,115,239.4 bushels of barley were transferred to the 1954-55 Pool. The principal grades of barley transferred were:

	Bushels
No. 3 C.W. Six-Row.....	1,575,680.7
No. 1 Feed.....	10,969,141.2
No. 2 Feed.....	6,046,218.8
No. 3 Feed.....	1,989,032.7
All other grades.....	535,166.0
TOTAL.....	<u>21,115,239.4</u>

The foregoing stocks were transferred under provisions of Section 29 of the Act, and the transfer was authorized by Order in Council P.C. 1954-1575, October 19, 1954.

PRICE BASIS OF TRANSFER

Since futures contracts covering stocks of cash barley remaining in the Pool had been sold prior to September 30, the actual transfer involved pricing the various grades of barley in relation to the closing prices of the October and December futures on September 30, 1954; namely, \$1.09 $\frac{7}{8}$ and \$1.06 $\frac{3}{8}$ respectively, basis in store Fort William/Port Arthur. A deduction of 2c per bushel for carrying charges subsequent to the transfer date was made on all grades transferred.

1953-54 Pool Account—Barley

The following table shows the operating results of the 1953-54 Barley Pool from August 1, 1953 to the closing date of the Pool on September 30, 1954:

1. Barley acquired by the Board:	Bushels	
(a) Producers' deliveries August 1, 1953 to July 31, 1954.....	101,193,953.6	
(b) Barley otherwise acquired..... ①	453.9	
(c) Purchased from 1952-53 Pool Account—Barley.....	17,585,852.4	
Total barley acquired.....	118,780,259.9	
	(Value)	(Value)
2. Cost of barley acquired.....		\$105,390,313.32
3. Proceeds of sales—August 1, 1953 to September 30, 1954.....	\$97,737,344.36	
Transferred to 1954-55 Pool as at September 30, 1954..... ②	22,292,281.85	120,029,626.21
4. Gross surplus as at September 30, 1954.....		14,639,312.89
5. Operating costs—August 1, 1953 to September 30, 1954:		
(a) Carrying charges including terminal storage.....	4,534,741.54	
(b) Interest and bank charges.....	4,795.40	
(c) Freight recovery on export barley..... (	367,817.14)	
(d) Handling, stop-off and diversion charges.....	52,567.56	
(e) Drying charges.....	3,208.87	
(f) Brokerage and Clearing Association charges.....	16,497.87	
(g) Administrative and general expenses.....	412,429.37	4,656,423.47
6. Surplus in the 1953-54 Barley Pool Account as at September 30, 1954.....		\$ 9,982,889.42

①Purchases from non-producers at the Board's initial prices basis in store Fort William/Port Arthur.
②For details of transfer see page 22 of this Report.

OPERATING COSTS—1953-54 BARLEY ACCOUNT

Net Board operating costs applicable to the 1953-54 Barley Pool were \$4,656,423.47. Carrying charges amounted to \$4,534,741.54. Handling, stop-off and diversion charges were \$52,567.56,

while Brokerage and Clearing Association charges totalled \$16,497.87. Freight recoveries on export barley were \$367,817.14. Drying charges were relatively small, amounting to \$3,208.87. Administration and general expenses amounted to \$412,429.37, or .4075 cent per bushel on producers' deliveries of 101,193,953.6 bushels.

SURPLUS FOR DISTRIBUTION TO PRODUCERS

The surplus in the 1953-54 Barley Pool for distribution to producers was as follows:

Surplus as at September 30, 1954.....		\$9,982,889.42
<i>Deduct:</i> Prairie Farm Assistance Act levy.....	\$99,328.24	
Cost of issuing final payment.....	80,287.94	179,616.18
		<u>9,803,273.24</u>
<i>Add:</i> Additional interest earned after September 30, 1954.....		30,222.17
Surplus for distribution to producers.....		<u>\$9,833,495.41</u>

The following table shows initial payments, final payments, and prices (basis in store Fort William/Port Arthur) realized by producers for the principal grades of barley delivered to the Board in 1953-54 after deducting Board operating costs, including carrying charges in country and terminal elevators and Board administrative expenses.

Grade	Initial* Payment	Final* Payment	Realized* Price
		(dollars per bushel)	
No. 2 C.W. Six-Row.....	.98	.11485	1.09485
No. 3 C.W. Six-Row.....	.96	.09985	1.05985
No. 4 C.W. Six-Row.....	.90	.05860	.95860
No. 2 C.W. Two-Row.....	.91	.13985	1.04985
No. 3 C.W. Two-Row.....	.88	.12110	1.00110
No. 1 Feed.....	.87	.08009	.95009
No. 2 Feed.....	.82	.11759	.93759
No. 3 Feed.....	.75	.15259	.90259
Tough No. 3 C.W. Six-Row.....	.92	.09985	1.01985
Tough No. 3 C.W. Two-Row.....	.84	.12110	.96110
Tough No. 1 Feed.....	.83	.09009	.92009
Tough No. 2 Feed.....	.78	.12759	.90759
Tough No. 3 Feed.....	.71	.16259	.87259

The final payment in the 1953-54 Barley Pool was approved by Order in Council P.C. 1954-1576, October 19, 1954. The issuance of cheques in connection with the final payment was commenced on October 19, 1954 and concluded on November 8, 1954. On producers' deliveries of 101,193,953.6 bushels, the final surplus for distribution to producers averaged 9.7175c per bushel.

*Prices and payments prior to deductions of P.F.A.A. levy.

GENERAL COMMENT ON THE
MARKETING OF BARLEY—1953-54

The total volume of barley received in the 1953-54 Pool was 118.8 million bushels. This handling was considerably less than the volume of

barley received in the 1952-53 Pool (176.3 million bushels), and reflected delivery quotas which were effective to the end of the crop year.

The following table shows Board purchases and net sales of barley by months, and stocks of barley held by the Board at the end of each month:

	Purchases	Sales ^① (bushels)	Unsold Stocks
August, 1953.....	3,027,875.0	19,582.0	3,008,293.0
September.....	7,806,961.8	295,559.6	10,519,695.2
October.....	32,960,363.9 ^②	21,855,553.5 ^②	21,624,505.6
November.....	10,694,398.5	8,789,610.0	23,529,294.1
December.....	11,311,270.2	4,439,807.7	30,400,756.6
January, 1954.....	7,424,804.0	5,963,923.4	31,861,637.2
February.....	4,854,684.2	4,028,848.6	32,687,472.8
March.....	4,922,744.4	5,388,454.4	32,221,762.8
April.....	4,732,158.7	1,766,301.4	35,187,620.1
May.....	4,533,266.3	13,408,528.8	26,312,357.6
June.....	6,440,169.9	8,179,104.6	24,573,422.9
July.....	20,071,563.0	20,173,718.0	24,471,267.9
August.....	—	23,359,999.4	1,111,268.5
September.....	—	1,111,268.5	—
TOTAL.....	<u>118,780,259.9</u>	<u>118,780,259.9</u>	<u>—</u>

①Includes weight losses in drying amounting to 1,909.7 bushels.

②Includes purchases of 17,585,852.4 bushels from the 1952-53 Pool Account—Barley, and relevant sales of futures.

Since the 1952-53 Barley Pool was still under sale in August, September and the early part of October, 1953, Board sales of barley applicable to the 1953-54 Pool were relatively small during this period. Sales increased, however, in the latter part of October and remained steady but relatively light until March, 1954. After very small sales in April, sales improved in the final four months of the crop year. With a marked improvement in both the demand for barley and prices for barley, August 1954 proved the best selling month of the 1953-54 Pool period.

As in the case of oats, the barley supplies available were ample through most of the crop year to meet current market requirements and there was little in the market situation to encourage buyers to make forward commitments; at least not until the final weeks of the crop year and the early part of 1954-55.

The following table shows Canadian barley exports during 1953-54 by principal countries of destination, with comparative figures for the previous crop year:*

	1953-53	1953-54
	(million bushels)	
United States.....	24.1	36.9
Japan.....	19.4	19.7
United Kingdom.....	16.1	19.6
Germany.....	30.4	7.0
Belgium.....	12.2	3.2
Netherlands.....	5.5	.8
Switzerland.....	.7	.8
U.S.S.R.....	—	.7
Korea.....	6.1	—
Denmark.....	2.6	—
Norway.....	1.1	—
Others.....	.7	1.3
TOTAL.....	<u>118.9</u>	<u>90.0</u>

*Source: Board of Grain Commissioners for Canada.
Figures subject to revision.

In 1953-54 the United States was the largest individual market for barley; exports to that country being largely of grades of barley suitable for malting. Exports to Japan amounted to 19.7 million bushels, closely followed by the United Kingdom with 19.6 million bushels. A sharp reduction occurred in exports to Germany and Belgium as compared with the previous crop year.

A total of 17.4 million bushels of barley was exported from Pacific Coast ports, 34.0 million bushels from St. Lawrence ports and 1.7 million bushels from eastern Atlantic ports.

In the merchandising of barley in 1953-54 the export market was extremely important. While there was a moderate increase in domestic utilization, barley exports accounted for slightly over 70% of total utilization of western barley during the crop year.

The following table shows the monthly average of Board quotations for No. 1 Feed Barley, along with high and low prices recorded in each month from August, 1953 to September, 1954 (all prices basis in store Fort William/Port Arthur):*

	High	Low	Average
	(cents per bushel)		
August, 1953.....	116½	106½	112½
September.....	107½	99¾	104½
October.....	99	93¾	94½
November.....	95¾	90¾	93½
December.....	91¼	87¾	89
January, 1954.....	93¾	91	92
February.....	93¾	89	92½
March.....	90¼	86¾	88½
April.....	88¾	87	87½
May.....	94½	87	90½
June.....	99¾	95	97½
July.....	104¾	97¼	101¼
August.....	120¼	102	109¾
September.....	119¼	105¾	113¾

*The initial price paid to producers for No. 1 Feed Barley in 1953-54 was 87c per bushel basis in store Fort William/Port Arthur.

During the first nine months of the crop year the trend of barley prices was downward and this tended to keep buying on a hand-to-mouth basis. In March the Board's quoted price for No. 1 Feed Barley reached a low of 86¾c per bushel, or fractionally lower than the Board's initial payment price to producers. In April the average of Board quotations for the same grade of barley was 87½c per bushel. It was not until May that a noticeable upward trend became apparent and prices began to move away from the proximity of the initial payment level. A substantial market recovery took place in late May and June, a recovery that continued until the closing date of the 1953-54 Barley Pool on September 30, 1954.

Total sales amounted to 118.8 million bushels; of these sales, 62.0 million bushels were sold on the futures market and 56.8 million bushels were sold on a flat basis.

In summary, during the greater part of the selling period of the 1953-54 Barley Pool the market was dominated by the fact that there were adequate or more than adequate supplies of barley available to meet requirements and that a substantial supply of barley remained on farms pending an enlargement of delivery quotas. It was not until there was concrete evidence of serious damage to 1954 crops that the demand for existing commercial stocks of barley increased substantially and prices advanced rapidly from the relatively low levels that prevailed during the greater part of the crop year. Taking all factors into consideration, 1953-54 was a difficult pooling year, and only the improvement in marketing conditions towards the end of the crop year and in the early part of 1954-55 enabled the Board to make a sizeable final payment to producers, having regard to carrying charges and other marketing costs.

On the more constructive side, a very large quantity of barley went into consumption in Canada and abroad during the crop year 1953-54. Commercial stocks of barley at the start of the crop year on August 1, 1953 were 73 million bushels and by the end of the crop year commercial stocks had been reduced to 50.4 million bushels.

11. Payment Division

The following table shows the major payments completed during the crop year 1953-54:

	Date First Cheques Mailed	Date Completed	Number of Cheques Issued	Total Value of Cheques Issued
1952-53 Pool Account—Wheat:				
Interim Payment.....	Sept. 25/53	Nov. 2/53	397,385	\$ 63,962,036.83
Final Payment.....	Mar. 12/54	Apr. 21/54	397,354	58,282,438.38
1952-53 Pool Account—Oats.....	Nov. 3/53	Nov. 19/53	168,508	10,949,996.58
1952-53 Pool Account—Barley.....	Nov. 23/53	Dec. 5/53	205,533	21,408,203.67
			<u>1,168,780</u>	<u>\$154,602,675.46</u>

In addition, the Payment Department issued 154 cheques (value \$9,997.94) applicable to the 1940, 1941, 1942, 1943 and 1944 Wheat Accounts, and 599 cheques (value \$113,187.44) covering adjustment payments and the final payment applicable to the 1945-49 Pool.

12. Legal Department

The Legal Department dealt with all matters of a legal nature affecting the operations of the Board.

The Department continued to assist the Payment Department in connection with payments to estates of deceased persons.

During the crop year 264 prosecutions were initiated in connection with breaches of the Act and Regulations thereunder. This compares with 962 prosecutions during 1952-53.

13. Staff and Officers

The following table shows the number of employees of the Board on July 31, 1953 and July 31, 1954:

	July 31 1953	July 31 1954
Head Office, Winnipeg.....	656	670
Calgary, Alberta.....	33	35
Vancouver, B.C.....	18	18
London, England.....	4	3
Washington, D.C.....	2	2
Montreal, Quebec.....	2	2
TOTAL.....	<u>715</u>	<u>730</u>

On July 31, 1954 the Board had 730 employees as compared with 715 on July 31, 1953. The increase in staff was mainly in the Head Office of the Board in Winnipeg.

14. Advisory Committee

In 1953-54 one meeting of the Advisory Committee was held. Members of the Advisory Committee during 1953-54 were: L. Hutchinson (Chairman), Calgary, Alberta; D. I. Walker, Toronto, Ontario; K. A. Powell, Winnipeg, Manitoba; F. H. Clendenning, Vancouver, B.C.; J. Theo Roy, Montreal, Quebec; J. H. Wesson, Regina, Saskatchewan; R. C. Brown, Winnipeg, Manitoba; F. Pettypiece, Auld, Ontario; J. A. McCowan, Victoria, B.C.; P. Farnalls, Halkirk, Alberta; R. R. Emerson, Winnipeg, Manitoba.

PART II

FINANCIAL STATEMENTS

The financial statements of The Canadian Wheat Board for the crop year ended July 31, 1954 are presented in this section of the Report and consist of a Consolidated Balance Sheet (Exhibit I) which sets forth the financial position of the Board as at the foregoing date, together with other statements showing the results of Board operations to the close of the crop year, all as tabulated in the index preceding the financial statements and as discussed in Part I of this Report.

In order to expedite the issuance of final payments to producers, the 1953-54 Pool Accounts

for oats and barley were closed on October 15, and September 30, 1954 respectively. Stocks of oats and barley remaining in these accounts as at the foregoing dates were transferred to the respective 1954-55 Pool Accounts under the provisions of Section 29 of The Canadian Wheat Board Act, Order in Council P.C. 1954-1661, November 3, 1954 and Order in Council P.C. 1954-1575, October 19, 1954. The following summary shows the details of the stocks of oats and barley involved in this transfer:

1953-54 Pool Accounts	Dates Accounts Closed	Stocks transferred to the 1954-55 Pool Accounts	
		(Bushels)	(Value)
Oats.....	October 15, 1954	5,718,630.5	\$ 5,141,127.31
Barley.....	September 30, 1954	21,115,239.4	\$22,292,281.85

The 1953-54 Pool Accounts for oats and barley, therefore, have been closed and final payments have been issued to producers at the date of this Report. Consequently, after considering the proximity of the closing dates of the accounts to the year-end date of July 31, 1954, operating statements for these accounts and the Consolidated Balance Sheet have been drawn up so as to include subsequent transactions from the year-end date to the closing dates indicated above in order to reflect the final operating results of the 1953-54 Pool Accounts for oats and barley.

Due to the large volume of wheat remaining unsold in the 1953-54 Pool Account it was decided that it would be advisable to defer the closing of this account.

CONSOLIDATED BALANCE SHEET

The consolidated financial position of The Canadian Wheat Board as at July 31, 1954 including provisions for transactions subsequent thereto relevant to the final closing of the 1953-54 Pool Accounts for oats and barley is set forth in Exhibit I. With respect to some of the items appearing in the Consolidated Balance Sheet the following comments are submitted.

Stocks of Grain—\$616,106,569.79

WHEAT STOCKS

Stocks of wheat held by the Board and which had been sold but were undelivered at the year-end date amounted to 29,648,558.4 bushels. These stocks have been valued at contract prices and provision has been made for carrying charges to date of delivery.

The remaining inventory of wheat representing unsold stocks as at July 31, 1954 in store country elevators, in store terminal elevators and mills, in transit and in the custody of Agents totalled 378,179,678.8 bushels. In accordance with accepted accounting practice and consistent with the procedure followed in the previous crop year this inventory has been valued at the Board's initial prices for the 1953-54 crop year which were \$1.40 per bushel basis No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur or Vancouver.

Stocks in the custody of Agents represent wheat provisionally invoiced to Agents of the Board and for which the Board will receive a final accounting in respect to the ultimate disposition of these stocks. The Board receives an advance from its Agents for wheat invoiced on a provisional

basis and as at July 31, 1954 this advance was \$1.70 per bushel basis No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur or Vancouver. As at July 31, 1954 advances received by the Board from its Agents totalled \$158,687,261.29.

OATS AND BARLEY STOCKS

Stocks of oats and barley as at July 31, 1954 in store country and terminal elevators and in transit were 23,447,851.7 bushels and 40,477,305.4 bushels respectively. Marketing operations were completed on the 1953-54 Pool Account for oats on October 15, 1954 and on the 1953-54 Pool Account for barley on September 30, 1954. The respective inventories, therefore, of oats and barley are stated at the values which were ultimately received from the sale of these inventories during the period from August 1, 1954 to October 15, 1954 for the oats inventory and during the period from August 1, 1954 to September 30, 1954 for the barley inventory—basis in store Fort William/Port Arthur.

Accounts Receivable—\$112,688.71

This item consists of sundry sales adjustments and other miscellaneous items which had not been finalized at the year-end date.

Grain Trade Memberships—\$20,891.45

The Canadian Wheat Board owns nine memberships in the Winnipeg Grain Exchange, one in the Vancouver Grain Exchange, one in the Winnipeg

Grain and Produce Exchange Clearing Association Limited and one in the Lake Shippers' Clearance Association. These memberships are stated at cost less recorded dividends received to July 31, 1954.

The Canadian Wheat Board Building, at cost less depreciation—\$387,600.00

Under the authority of Order in Council P.C. 146/2800 the Board purchased The Canadian Wheat Board Building on August 31, 1946 at a cost of \$450,000.00 for the land and buildings.

In accordance with instructions received from the Government of Canada, the Board was directed to pay to the City of Winnipeg for the calendar year 1954 a grant of \$30,118.87 in lieu of property and business taxes on The Canadian Wheat Board Building and on premises rented by the Board but without admitting any liability for such taxes. Of this amount, \$17,569.33 has been applied to Board operations for the period from January 1, 1954 to July 31, 1954. The balance of \$12,549.54 has been deferred and will be charged to the operations of the 1954-55 Crop Year. This balance is included in the item of \$34,169.53 as shown in the Consolidated Balance Sheet. Depreciation has been provided on the building for the year ended July 31, 1954 at the rate of 2% per annum amounting to \$7,800.00. The amounts for depreciation and taxes, \$7,800.00 and \$17,569.33 respectively are included in the item of \$218,122.87 as shown in Exhibit VII.

Bank Loans—\$87,121,079.55

During the crop year under review payments were made to producers involving a cash distribution of \$154,602,675.46, consisting of the following:

INTERIM PAYMENTS

1952-53 Pool Account—Wheat.....	\$ 63,962,036.83
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FINAL PAYMENTS

1952-53 Pool Account—Wheat.....	\$58,282,438.38	
1952-53 Pool Account—Oats.....	10,949,996.58	
1952-53 Pool Account—Barley.....	21,408,203.67	90,640,638.63
		<u>\$154,602,675.46</u>

In the same period the Board carried abnormally large stocks of wheat with the result that the cash position of the Board was inadequate to meet requirements for interim and final payments and current Board operations. Accordingly on December 8, 1953 the Board commenced to borrow its daily cash requirements from the Chartered Banks at the established interest rate of 3¼% per annum, compounded monthly. Bank borrowings reached a maximum of \$108,958,886.53 on May 11, 1954 but have decreased to \$87,121,079.55 as at July 31, 1954.

Liability to Agents—\$366,748,930.34

Grain Companies acting in the capacity of Agents of the Board accept deliveries from producers at country elevators and on behalf of the Board pay the producers basis the Board's initial prices in effect. Settlement is not made by the Board for these deliveries until delivery to the Board is completed by its Agents at terminal or mill positions. The liability to Agents amounting to \$366,748,930.34 represents the amount payable by the Board to its Agents for purchases from producers at country elevator points to July 31, 1954 for which delivery to and settlement by the Board will be completed subsequent to the year-end date.

Amounts Due to Producers

ADJUSTMENT PAYMENTS

During the period of the 1945-49 Pool Account there were three adjustment payments authorized in respect to producers' deliveries on this account. Adjustment payments were also authorized on the 1950-51 Pool Accounts for wheat, oats and barley, on the 1951-52 Pool Accounts for wheat and barley, and on the 1952-53 Pool Accounts for wheat and barley. There were no adjustment payments authorized in respect to producers' deliveries on the 1953-54 Pool Accounts for wheat, oats or barley. With respect to all of the foregoing adjustment payments the Board still had to disburse as at July 31, 1954 the sum of \$1,092,035.91 consisting of the following:

	Outstanding Certificates	Outstanding Cheques	Total
WHEAT			
Balance payable on the three adjustment payments authorized on the 1945-49 Pool Account.....	\$750,534.96	\$168,445.27	\$ 918,980.23
1950-51 Pool Account.....		24,021.73	24,021.73
1951-52 Pool Account.....		32,943.15	32,943.15
1952-53 Pool Account.....		80,627.66	80,627.66
	<u>750,534.96</u>	<u>306,037.81</u>	<u>1,056,572.77</u>
COARSE GRAINS			
1950-51 Pool Account—Oats.....		3,890.94	3,890.94
1950-51 Pool Account—Barley.....		5,273.87	5,273.87
1951-52 Pool Account—Barley.....		8,903.91	8,903.91
1952-53 Pool Account—Barley.....		17,394.42	17,394.42
		<u>35,463.14</u>	<u>35,463.14</u>
Total amount payable on adjustment payments—wheat and coarse grains.....	<u>\$750,534.96</u>	<u>\$341,500.95</u>	<u>\$1,092,035.91</u>

In the period from August 1, 1954 to December 31, 1954 the Board paid \$261,434.67 in respect to the above liability of \$1,092,035.91.

Interim Payments

Under the provisions of Section 26 (3) of The Canadian Wheat Board Act and Order in Council P.C. 1953-1479, September 24, 1953, the Board was directed to pay to producers who delivered wheat to the Board during the period from August 1, 1952 to July 31, 1953 an interim payment of 12 cents per bushel. The Board commenced mailing cheques to producers for this

payment on September 25, 1953 and the operation was completed on November 2, 1953. This payment amounted to \$63,962,036.83. As at July 31, 1954 the Board still had to disburse \$226,935.30 in respect to this payment, consisting entirely of cheques in the hands of producers which had not been presented to the Board for payment. In the period from August 1, 1954 to December 31, 1954 the Board paid \$146,703.73 in respect to this liability of \$226,935.30.

Final Payments

The amounts due to producers on outstanding participation certificates and cheques with respect to final payments on the undernoted accounts are as follows:

	Outstanding Certificates	Outstanding Cheques	Total
WHEAT			
1945-49 Pool Account.....	\$882,950.84	\$ 144,756.61	\$1,027,707.45
1950-51 Pool Account.....		63,505.62	63,505.62
1951-52 Pool Account.....		124,076.17	124,076.17
1952-53 Pool Account.....		945,808.66	945,808.66
	<u>882,950.84</u>	<u>1,278,147.06</u>	<u>2,161,097.90</u>
COURSE GRAINS			
1949-50 Pool Account—Oats.....		13,187.40	13,187.40
1949-50 Pool Account—Barley.....		11,355.72	11,355.72
1950-51 Pool Account—Oats.....		11,765.33	11,765.33
1950-51 Pool Account—Barley.....		8,963.90	8,963.90
1951-52 Pool Account—Oats.....		24,039.81	24,039.81
1951-52 Pool Account—Barley.....		18,069.29	18,069.29
1952-53 Pool Account—Oats.....		43,996.76	43,996.76
1952-53 Pool Account—Barley.....		88,529.11	88,529.11
		<u>219,907.32</u>	<u>219,907.32</u>
Total amount payable on final payments— wheat and coarse grains.....	<u>\$882,950.84</u>	<u>\$1,498,054.38</u>	<u>\$2,381,005.22</u>

During the period from August 1, 1954 to December 31, 1954 the Board paid \$1,199,365.45 in respect to the above liability of \$2,381,005.22.

Other amounts shown as due to producers

consist in the main of outstanding cheques in the hands of producers which were issued in respect to payments resulting from operations conducted by the Board under The Canadian Wheat Board Act, other than the marketing of producers' grain.

Accrued Expenses and Accounts

Payable—\$10,138,194.02

This item comprises in the main accrued carrying charges and storage charges to July 31, 1954, together with sundry accounts which were unpaid

as at the foregoing date plus provisions for all charges on the 1953-54 Pool Accounts for oats and barley from the year-end date to the dates subsequent thereto on which marketing operations on these two accounts were completed.

Special Account—Net Balance of
Undistributed Payment Accounts—
\$889,265.60

In accordance with the provisions of Section 29A of The Canadian Wheat Board Act the Board was authorized to transfer to a Special Account the balances remaining undistributed in specific payment accounts.

As at July 31, 1953 an amount of \$453,996.74 was transferred to the Special Account and the details of this transfer are set forth on Page 29 of the Board's Annual Report for the 1952-53 crop year. The following summary sets forth the details of the transactions affecting the Special Account for the crop year under review:

Balance of the Special Account as at July 31, 1953.....			\$453,996.74
<i>Add:</i> Transfers to the Special Account under the authority of Section 29A of The Canadian Wheat Board Act and Order in Council P.C. 1954-1777 of November 18, 1954:			
1944 CROP ACCOUNT—WHEAT			
Outstanding cheques.....	\$ 7,474.70		
Outstanding producers' certificates.....	173,527.10		
Reserve for final payment expenses.....	244,372.48		
	425,374.28		
<i>Less:</i> Payments—1943 and prior crop years....	9,034.19	\$416,340.09	
1946 CROP ACCOUNT—OATS EQUALIZATION FUND			
Outstanding cheques.....	6,631.33		
Reserve for final payment expenses.....	3,151.39		
	9,782.72		
<i>Less:</i> Payments—1943 and prior crop years....	336.54	9,446.18	425,786.27
			879,783.01
<i>Less:</i> Expenditures authorized under the provisions of Section 29A (2) of The Canadian Wheat Board Act and Order in Council P.C. 1954-956 of June 24, 1954.....			
		135,000.00	
<i>Less:</i> Unexpended as at July 31, 1954.....		134,174.62	825.38
			878,957.63
<i>Add:</i> Interest for the period from August 1, 1953 to July 31, 1954.....			10,307.97
Balance of the Special Account as at July 31, 1954.....			<u>\$889,265.60</u>

STATEMENTS OF OPERATIONS

Wheat Division—1953-54 Pool Account

As at July 31, 1954 stocks of wheat remaining unsold in the 1953-54 Pool Account amounted to 378,179,678.8 bushels. In accordance with accepted accounting practice, and consistent with the basis of valuation adopted in the previous fiscal year, this inventory has been valued for purposes of the Board's accounts as at July 31, 1954 at the Board's initial prices to producers on the 1953-54 Pool Account which were \$1.40 per bushel basis No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur or Vancouver. *On the basis of this valuation and without provision for carrying costs, interest, etc., beyond the close of the fiscal year, the operations of the Board on the 1953-54 Pool Account to July 31, 1954 showed a debit balance of \$26,766,118.13 as set forth in Exhibit II. This debit balance should not be viewed as the final result of marketing operations on the 1953-54 Pool Account.*

Subsequent to the year-end date a substantial portion of the unsold inventory of 378,179,678.8 bushels was marketed at prices in excess of the initial prices at which the inventory had been valued as at July 31, 1954. Accordingly in the fall of 1954 the Board made a further review of the operations on the 1953-54 Pool Account and after considering its sales experience since the year-end date, the current market prices and the demand for Canadian wheat and the carrying costs applicable to the unsold stocks at July 31, 1954, the Board was of the opinion that the entire inventory of 378,179,678.8 bushels could be marketed at prices sufficiently higher than inventory prices to produce a surplus from marketing operations on the 1953-54 Pool Account.

Under the provisions of The Canadian Wheat Board Act and Order in Council P.C. 1954-1663, November 3, 1954, the Board was directed by the Government of Canada to pay to producers who delivered wheat to the Board during the period from August 1, 1953 to July 31, 1954 an interim

payment of 10 cents per bushel on the 1953-54 Pool Account. This payment applied to all grades of wheat with the exception of Garnet Wheat, Soft White Spring Wheat, Alberta Red Winter Wheat and Alberta Winter Wheat. The Board commenced mailing cheques to producers on November 23, 1954 and the operation was completed on December 20, 1954. This payment totalled \$38,638,978.04 and is not provided for in the accounts as at July 31, 1954.

Oats and Barley Division

Under the authority of The Canadian Wheat Board Act and Order in Council P.C. 1953-1045, July 2, 1953, the Board was authorized to purchase from producers during the 1953-54 crop year oats and barley produced in the designated area and to pay to producers a fixed initial price of 65 cents per bushel for No. 2 Canada Western Oats and a fixed initial price of 96 cents per bushel for No. 3 Canada Western Six-Row Barley, both prices basis in store Fort William/Port Arthur.

Marketing operations on the 1953-54 Pool Account for oats were completed on October 15, 1954 and on the 1953-54 Pool Account for barley on September 30, 1954. These operations resulted in surpluses of \$5,738,079.76 and \$9,982,889.42 as shown in Exhibits III and IV respectively. The operating statements for these two accounts to July 31, 1954 have been drawn up so as to reflect the final surpluses realized to the dates on which marketing operations were completed. The inventories of oats and barley at July 31, 1954 are stated at the ultimate values which were received from the sale of these inventories subsequent to the year-end date and provision has been made in the accounts as at July 31, 1954 for carrying charges, storage charges, interest and all other charges incident to the completion of marketing operations on the dates indicated.

The amounts available for final payments to producers on the 1953-54 Pool Accounts for oats and barley were \$5,631,130.40 and \$9,833,495.41 respectively computed as follows:

	Oats	Barley
Surplus on operations for the period from—		
August 1, 1953 to October 15, 1954.....	\$5,738,079.76	
August 1, 1953 to September 30, 1954.....		\$9,982,889.42
Add: Interest on the surplus for the period from—		
October 16, 1954 to November 23, 1954.....	19,926.07	
October 1, 1954 to November 3, 1954.....		30,222.17
	5,758,005.83	10,013,111.59
Deduct: Estimated cost of issuing final payments to producers.....	69,995.33	80,287.94
Prairie Farm Assistance Act levy.....	56,880.10	99,328.24
	126,875.43	179,616.18
Amount payable to producers.....	<u>\$5,631,130.40</u>	<u>\$9,833,495.41</u>

During the period of marketing operations the average price realized on the sale of No. 2 Canada Western Oats basis in store Fort William/Port Arthur was 73.784 cents per bushel and the average price realized on the sale of No. 3 Canada Western Six-Row Barley basis in store Fort William/Port Arthur was \$1.10636 per bushel. The final payment price for the foregoing grade of oats and of barley was 5.462 cents per bushel and 9.885 cents per bushel respectively computed as follows:

	No. 2 Canada Western Oats	No. 3 Canada Western Six-Row Barley
	\$	\$
Average realized sales price.....	.73784	1.10636
Less: Initial payment to producers.....	.65	.96
	.08784	.14636
Less: Cost per bushel for carrying charges, interest, administrative expenses, etc.....	.03267	.04651
	.05517	.09985
Less: Prairie Farm Assistance Act levy at 1%.....	.00055	.00100
Final payment to producers.....	.05462	.09885
	<u>5.462 cents</u>	<u>9.885 cents</u>

Payments on grades other than No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley varied according to the fixed initial discounts under No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was purchased from producers and the average premiums or discounts in relation to No. 2 Canada Western Oats and No. 3 Canada Western Six-Row Barley at which each grade of oats and barley was sold.

Order in Council P.C. 1292, April 3, 1947 provided that oats and barley stocks, whole or processed, in commercial channels in Canada as at March 17, 1947 be vested in the Board.

Transactions in oats and barley acquired under the terms of this Order were completed on June 21, 1954 and resulted in a surplus of

\$6,662,319.58 to that date. In terms of the Order this surplus is payable to the Consolidated Revenue Fund of the Government of Canada and an amount of \$6,324,789.99 was remitted to Ottawa on March 31, 1948. The balance of \$337,529.59 was paid to the Government of Canada on June 21, 1954 and this account has now been closed in the Board records.

Schedule of Administrative and General Expenses—Exhibit VII

The total expenditures under this heading* for the year under review amounted to \$2,771,604.36 comprising expenses incurred at the Winnipeg, Calgary, Vancouver, Montreal, London (England) and Washington (D.C.) offices of the Board. Details of these expenditures and the allocations to Board operations are set forth in Exhibit VII.

The Report of the Board's Auditors on the financial statements for the year ended July 31, 1954 is contained in Part III of this Report.

In this Report and in the financial statements we have endeavoured to describe the administration of policy with respect to wheat, oats and barley for the year ended July 31, 1954.

In conclusion we would like to record our appreciation for the loyal and conscientious service rendered by the officers and staff of the Board.

All of which is respectfully submitted,

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTSON,
Commissioner

THE CANADIAN WHEAT BOARD
INDEX TO FINANCIAL STATEMENTS
31st July 1954

- Exhibit I. Consolidated Balance Sheet.*
- Exhibit II. Statement of Operations, 1953-54 Pool Account—Wheat.*
- Exhibit III. Statement of Operations, 1953-54 Pool Account—Oats.*
- Exhibit IV. Statement of Operations, 1953-54 Pool Account—Barley.*
- Exhibit V. Statement of Payments to Producers.*
- Exhibit VI. Statement of Provisions for Final Payment Expenses.*
- Exhibit VII. Schedule of Administrative and General Expenses and Allocations to Operations for the year ended 31st July 1954.*

THE CANADIAN
CONSOLIDATED
As at 31st

A S S E T S

Stocks of grain:

Wheat stocks — stated at contract prices basis in store Fort William/Port Arthur or Vancouver.....	\$ 50,539,635.03	
Wheat stocks — stated at fixed initial prices basis in store Fort William/Port Arthur or Vancouver.....	506,614,556.33	
	<hr/> 557,154,191.36	
Oats stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur.....	17,478,301.69	
Barley stocks — stated at the ultimate value received from the sale thereof, basis in store Fort William/Port Arthur....	41,474,076.74	\$616,106,569.79

Accounts receivable.....	112,688.71
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Memberships — In the Winnipeg and Vancouver Grain Ex- changes, the Winnipeg Grain and Produce Exchange Clearing Association Limited and the Lake Shippers' Clearance Asso- ciation.....	20,891.45
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The Canadian Wheat Board Building, Winnipeg, at cost less depreciation.....	387,600.00
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Deferred and prepaid expenses.....	34,169.53
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Office furniture, equipment and automobiles, at cost less depreciation.....	98,917.00
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Debit balance — 1953-54 Pool Account — Wheat.....	26,766,118.13
	<hr/> <hr/> \$643,526,954.61

Approved:

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTSON,
Commissioner

Bank loans.....		\$ 87,121,079.55
Liability to Agents for grain purchased from Producers but not yet delivered to the Board.....		366,748,930.34
Advances received on Agency wheat stocks.....		158,687,261.29
Amounts due to Producers:		
Outstanding certificates and cheques:		
Balance of adjustment payments — Wheat.....	\$ 1,056,572.77	
— Coarse Grains.....	35,463.14	
Balance of interim payment — Wheat.....	226,935.30	
Balance of final payments — Wheat.....	2,161,097.90	
— Coarse Grains.....	219,907.32	
	<hr/>	
	3,699,976.43	
Other accounts	19,797.78	3,719,774.21
	<hr/>	
Accrued expenses and accounts payable.....		10,138,194.02
Provisions for final payment expenses.....		501,480.42
Special account — net balance of undistributed payment accounts.....		889,265.60
Surpluses resulting from operations:		
1953-54 Pool Account — Oats.....	5,738,079.76	
1953-54 Pool Account — Barley.....	9,982,889.42	15,720,969.18
	<hr/>	
		\$643,526,954.61

Winnipeg, Manitoba,
31st December, 1954.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

THE CANADIAN
1953-54 POOL
STATEMENT OF
For the year ended

Wheat acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

Purchased from 1952-53 Pool Account — Wheat.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:

Domestic.....

Export sales at Class II prices.....

Export sales under the terms of the International Wheat Agreement.....

Weight losses in transit and in drying.....

Uncompleted sales at contract prices basis in store Fort William/Port Arthur, Vancouver or Churchill:

Domestic.....

Export sales at Class II prices.....

Export sales under the terms of the International Wheat Agreement.....

Stocks of wheat — stated at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

Surplus on wheat transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on wheat stored in country elevators.....

Storage on wheat stored in terminal elevators and mills.....

Interest and bank charges, etc.....

Net additional freight on wheat shipped from country stations to terminal positions.....

Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....

Drying charges.....

Administrative and general expenses to 31st July 1954.....

Debit balance in the 1953-54 Pool Account — Wheat, as at 31st July 1954, after valuing stocks of wheat on hand at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....

HEAT BOARD
Account-Wheat
OPERATIONS
1st July 1954

Bushels		Amount	
398,031,819.8		\$535,858,586.87	
1,386,330.2		1,891,200.56	
148,679,561.7	<u>548,097,711.7</u>	<u>257,401,782.75</u>	\$795,151,570.18
28,392,123.6			
60,156,479.7			
51,714,520.0			
6,351.2	140,269,474.5	\$246,998,560.46	
6,737,886.7			
20,368,490.1			
2,542,181.6	29,648,558.4	<u>50,539,635.03</u>	297,538,195.49
	378,179,678.8	506,614,556.33	804,152,751.82
	<u>548,097,711.7</u>		
			9,001,181.64
	23,207,117.76		
	<u>6,628,053.03</u>	29,835,170.79	
		4,384,324.79	
		148,277.61	
		159,207.87	
		11,929.82	
		<u>1,228,388.89</u>	<u>35,767,299.77</u>
			<u>\$ 26,766,118.13</u>

**THE CANADIAN
1953-54 POOL
STATEMENT
For the crop year
(Including provision for losses)**

Oats acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....
Oats otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....
Purchased from 1952-53 Pool Account — Oats.....

Oats sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying and reconditioning.....

Net proceeds from sales.....

Stocks of oats—stated at the ultimate value received from the sale thereof, basis in store
Fort William/Port Arthur.....

Surplus on oats transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 15th October 1954)

Carrying charges:

Carrying charges on oats stored in country elevators.....
Storage on oats stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of oats to Vancouver for export.....
Drying charges.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1954.....

Add: Proportion of administrative and general expenses for the period from
1st August 1954 to 15th October 1954.....

Surplus on operations of the Board on 1953-54 Pool Account — Oats, for the crop year ended
31st July 1954.....

WHEAT BOARD

Account - Oats

OPERATIONS

ended 31st July 1954

(Transactions to 15th October 1954)

Bushels		Amount	
89,725,291.1		\$54,238,760.28	
124.0		70.26	
<u>12,787,444.1</u>	<u>102,512,859.2</u>	<u>8,455,618.50</u>	\$62,694,449.04
79,064,216.1		53,835,303.89	
<u>791.4</u>		<u>—</u>	
79,065,007.5		53,835,303.89	
<u>23,447,851.7</u>	<u>102,512,859.2</u>	<u>17,478,301.69</u>	<u>71,313,605.58</u>
			8,619,156.54
	\$2,319,759.38		
	<u>259,785.02</u>	2,579,544.40	
		(11,853.00)	
		(44,982.63)	
		846.12	
		20,987.86	
	282,459.37		
	<u>54,074.66</u>	<u>336,534.03</u>	<u>2,881,076.78</u>
			<u>\$ 5,738,079.76</u>

THE CANADIAN
1953-54 Pool
STATEMENT OF
For the crop year
(Including provision for)

Barley acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur.....
Barley otherwise purchased at Board initial prices basis in store Fort William/Port Arthur.....
Purchased from 1952-53 Pool Account — Barley.....

Barley sold:

Completed sales at realized prices basis in store Fort William/Port Arthur.....
Weight losses in drying.....
Net proceeds from sales.....

Stocks of barley — stated at the ultimate value received from the sale thereof, basis in store
Fort William/Port Arthur.....

Surplus on barley transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:
(including provision for expenses to 30th September 1954)

Carrying charges:

Carrying charges on barley stored in country elevators.....
Storage on barley stored in terminal elevators.....
Interest and bank charges.....
Freight recovered on shipments of barley to Vancouver for export.....
Handling, stop-off and diversion charges, etc.....
Drying charges.....
Brokerage and Clearing Association charges.....
Administrative and general expenses to 31st July 1954.....

Add: Proportion of administrative and general expenses for the period from
1st August 1954 to 30th September 1954.....

Surplus on operations of the Board on 1953-54 Pool Account — Barley, for the crop year
ended 31st July 1954.....

WHEAT BOARD

Account - Barley

OPERATIONS

ended 31st July 1954

(Transactions to 30th September 1954)

Bushels		Amount	
101,193,953.6		\$88,920,441.50	
453.9		378.30	
17,585,852.4	118,780,259.9	16,469,493.52	\$105,390,313.32
<hr/>		<hr/>	
78,301,044.8		78,555,549.47	
1,909.7		—	
<hr/>		<hr/>	
78,302,954.5		78,555,549.47	
40,477,305.4	118,780,259.9	41,474,076.74	120,029,626.2
<hr/>		<hr/>	
		14,639,312.89	
\$4,139,608.44			
<hr/>			
395,133.10		4,534,741.54	
		4,795.40	
		(367,817.14)	
		52,567.56	
		3,208.87	
		16,497.87	
326,186.77			
<hr/>		<hr/>	
86,242.60		412,429.37	4,656,423.47
		<hr/>	
		\$ 9,982,889.42	

THE CANADIAN
STATEMENT OF
As at 31

Adjustment Payments:

Wheat:

1945-49 Pool Account.....
1950-51 Pool Account.....
1951-52 Pool Account.....
1952-53 Pool Account.....

Coarse Grains:

1950-51 Pool Account — Oats.....
1950-51 Pool Account — Barley.....
1951-52 Pool Account — Barley.....
1952-53 Pool Account — Barley.....

Interim Payments:

Wheat:

1952-53 Pool Account.....

Final Payments:

Wheat:

1945-49 Pool Account.....
1950-51 Pool Account.....
1951-52 Pool Account.....
1952-53 Pool Account.....

Coarse Grains:

1949-50 Pool Account — Oats.....
1949-50 Pool Account — Barley.....
1950-51 Pool Account — Oats.....
1950-51 Pool Account — Barley.....
1951-52 Pool Account — Oats.....
1951-52 Pool Account — Barley.....
1952-53 Pool Account — Oats.....
1952-53 Pool Account — Barley.....

Total — all Accounts.....

WHEAT BOARD

PAYMENTS TO PRODUCERS

July 1954

<u>Total Amounts Payable to Producers</u>	<u>Cheques Cashd by Producers to 31st July 1954</u>	<u>Balances Payable to Producers as at 31st July 1954</u>
\$ 388,564,143.02	\$ 387,645,162.79	\$ 918,980.23
49,629,262.54	49,605,240.81	24,021.73
47,681,245.77	47,648,302.62	32,943.15
61,124,386.63	61,043,758.97	80,627.66
<u>\$ 546,999,037.96</u>	<u>\$ 545,942,465.19</u>	<u>\$1,056,572.77</u>
\$ 5,707,963.15	\$ 5,704,072.21	\$ 3,890.94
11,173,606.63	11,168,332.76	5,273.87
13,600,641.70	13,591,737.79	8,903.91
14,467,203.86	14,449,809.44	17,394.42
<u>\$ 44,949,415.34</u>	<u>\$ 44,913,952.20</u>	<u>\$ 35,463.14</u>
\$ 63,962,036.83	\$ 63,735,101.53	\$ 226,935.30
\$ 119,075,039.68	\$ 118,047,332.23	\$1,027,707.45
104,933,267.56	104,869,761.94	63,505.62
114,585,112.68	114,461,036.51	124,076.17
58,282,438.38	57,336,629.72	945,808.66
<u>\$ 396,875,858.30</u>	<u>\$ 394,714,760.40</u>	<u>\$2,161,097.90</u>
\$ 15,546,322.39	\$ 15,533,134.99	\$ 13,187.40
26,643,973.33	26,632,617.61	11,355.72
9,639,421.43	9,627,656.10	11,765.33
15,112,054.03	15,103,090.13	8,963.90
24,746,258.79	24,722,218.98	24,039.81
19,241,174.36	19,223,105.07	18,069.29
10,949,996.58	10,905,999.82	43,996.76
21,408,203.67	21,319,674.56	88,529.11
<u>\$ 143,287,404.58</u>	<u>\$ 143,067,497.26</u>	<u>\$ 219,907.32</u>
<u>\$1,196,073,753.01</u>	<u>\$1,192,373,776.58</u>	<u>\$3,699,976.43</u>

THE CANADIAN STATEMENT OF PROVISIONS To 31

	<u>Original Provisions</u>	<u>Payment Costs and Other Adjustments to 31st July 1953</u>
Marketing of Producers' Grain:		
Wheat:		
1945-49 Pool Account.....	\$ 450,052.01	\$ 433,333.61
1950-51 Pool Account.....	225,907.74	271,687.00
1951-52 Pool Account.....	262,601.16	249,605.34
1952-53 Pool Account.....	168,509.10	—
	<u>1,107,070.01</u>	<u>954,625.95</u>
Coarse Grains:		
1949-50 Pool Account — Oats.....	81,867.67	55,633.88
1949-50 Pool Account — Barley.....	88,713.98	62,271.71
1950-51 Pool Account — Oats.....	59,846.99	62,688.76
1950-51 Pool Account — Barley.....	63,076.03	63,241.36
1951-52 Pool Account — Oats.....	86,315.60	84,526.62
1951-52 Pool Account — Barley.....	78,000.10	76,781.46
1952-53 Pool Account — Oats.....	74,171.79	—
1952-53 Pool Account — Barley.....	94,111.14	—
	<u>626,103.30</u>	<u>405,143.79</u>
Total — Producers' Grain.....	<u><u>\$1,733,173.31</u></u>	<u><u>\$1,359,769.74</u></u>
Other operations under The Canadian Wheat Board Act:		
1947 Crop Oats and Barley Equalization Funds—P.C. 1891 and 5207	\$ 71,757.74	\$ 51,659.05
1947 Crop Flaxseed Adjustment Payment — P.C. 829.....	24,496.02	21,855.57
	<u>96,253.76</u>	<u>73,514.62</u>
Total — all Accounts.....	<u><u>\$1,829,427.07</u></u>	<u><u>\$1,433,284.36</u></u>

WHEAT BOARD

FOR FINAL PAYMENT EXPENSES

July 1954

Payment Costs Year Ended 31st July 1954	Exchange, Commissions and Other Adjustments 1953-54 Year	Balance of Original Provisions	Net Interest Credits on Surplus Funds to 31st July 1954	Balance as at 31st July 1954
\$ 24,450.50	\$ 1,036.77	(\$ 8,768.87)	\$127,358.62	\$118,589.75
4,444.95	(1.67)	(50,222.54)	47,912.03	(2,310.51)
12,681.93	737.63	(423.74)	57,332.21	56,908.47
82,686.97	75,104.02	10,718.11	139,873.46	150,591.57
<u>124,264.35</u>	<u>76,876.75</u>	<u>(48,697.04)</u>	<u>372,476.32</u>	<u>323,779.28</u>
1,629.04	9.19	24,595.56	3,031.40	27,626.96
1,636.41	10.05	24,795.81	3,847.84	28,643.65
2,070.40	63.38	(4,975.55)	4,652.67	(322.88)
1,921.57	5.40	(2,092.30)	5,907.50	3,815.20
4,451.78	(262.96)	(2,399.84)	8,895.79	6,495.95
5,081.02	84.15	(3,946.53)	7,496.50	3,549.97
45,737.71	14,981.52	13,452.56	10,797.81	24,250.37
52,299.97	28,650.10	13,161.07	31,319.54	44,480.61
<u>114,827.90</u>	<u>43,540.83</u>	<u>62,590.78</u>	<u>75,949.05</u>	<u>138,539.83</u>
<u>\$239,092.25</u>	<u>\$120,417.58</u>	<u>\$13,893.74</u>	<u>\$448,425.37</u>	<u>\$462,319.11</u>
\$ 149.70	\$ 17.79	\$19,931.20	\$ 15,994.31	\$ 35,925.51
—	.01	2,640.44	595.36	3,235.80
<u>149.70</u>	<u>17.80</u>	<u>22,571.64</u>	<u>16,589.67</u>	<u>39,161.31</u>
<u>\$239,241.95</u>	<u>\$120,435.38</u>	<u>\$36,465.38</u>	<u>\$465,015.04</u>	<u>\$501,480.42</u>

THE CANADIAN
SCHEDULE OF ADMINISTRATIVE
AND ALLOCATION
For the year ended

Administrative and general expenses:

Salaries — Board members, officers and staff.....	\$1,828,813.32
Unemployment insurance.....	16,145.35
Advisory Committee — travelling expenses and per diem allowance.....	1,118.05
Rental and lighting of offices, including maintenance of The Canadian Wheat Board Building, Winnipeg.....	218,122.87
Telephone — exchange service and long distance calls.....	39,753.66
Telegrams and cables.....	30,796.64
Postage.....	66,882.29
Printing, stationery and supplies.....	143,799.54
Office expenses.....	14,573.97
Advertising.....	6,701.55
Travelling expenses.....	37,742.28
Travelling expenses — Inspectors.....	34,877.37
Legal fees and court costs.....	1,032.32
Audit fees.....	64,000.00
Tabulating equipment — rental and sundries.....	123,494.34
Repairs and upkeep of office machinery and equipment.....	5,195.46
Grain market publications and services.....	4,018.14
Bonds and insurance.....	3,830.72
Grain Exchange dues.....	2,830.60
Express, freight and cartage on stationery, etc.....	14,730.00
Depreciation on furniture, equipment and automobiles.....	16,510.70
Contribution to Pension Fund, actuarial and other expenses.....	96,635.19

\$2,771,604.36

WHEAT BOARD AND GENERAL EXPENSES TO OPERATIONS 1st July 1954

Allocations to operations:

1. Marketing of Producers' grain (including cost of distributing interim and adjustment payments, if any):		
1953-54 Pool Account — Wheat.....	\$1,228,388.89	
1953-54 Pool Account — Oats.....	282,459.37	
1953-54 Pool Account — Barley.....	326,186.77	
1952-53 Pool Account — Wheat.....	564,001.16	
1952-53 Pool Account — Oats.....	57,743.26	
1952-53 Pool Account — Barley.....	72,259.89	\$2,531,039.34

2. Distributing final payments to Producers:

(a) Wheat:

1952-53 Pool Account.....	82,686.97	
1951-52 Pool Account.....	12,681.93	
1950-51 Pool Account.....	4,444.95	
1945-49 Pool Account.....	24,450.50	
1944 Crop Account.....	1,197.67	125,462.02

(b) Coarse Grains:

1952-53 Pool Account — Oats.....	45,737.71	
1952-53 Pool Account — Barley.....	52,299.97	
1951-52 Pool Account — Oats.....	4,451.78	
1951-52 Pool Account — Barley.....	5,081.02	
1950-51 Pool Account — Oats.....	2,070.40	
1950-51 Pool Account — Barley.....	1,921.57	
1949-50 Pool Account — Oats.....	1,629.04	
1949-50 Pool Account — Barley.....	1,636.41	114,827.90

3. Other operations under The Canadian Wheat Board Act:

1947 Crop Oats and Barley Equalization Funds — P.C. 1891 and 5207.....	149.70	
1946 Crop Oats Equalization Fund — P.C. 3222 and 1292....	125.40	275.10
		<u>\$2,771,604.36</u>

PART III
AUDITORS' REPORT

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS

The Canadian Wheat Board,
Winnipeg, Manitoba.

Gentlemen:

We have examined the Consolidated Balance Sheet of The Canadian Wheat Board as at 31st July 1954 and the statements of operations and supporting schedules for the crop year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting data as we considered necessary in the circumstances.

We have reviewed Part II of the Annual Report of the Board, which sets forth explanatory comments relating to the financial statements. In our opinion the information presented therein is accurately recorded and is in agreement with our findings in the course of audit.

The stocks of grain are correctly stated in terms of the valuation bases indicated on the Consolidated Balance Sheet and as explained in Part II of the Report of the Board. All other assets and liabilities have been verified by reference to grain records, vouchers, creditors' statements and other documents.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Board, the accompanying Consolidated Balance Sheet and statements of operations and supporting schedules are properly drawn up so as to exhibit a true and correct view of the financial position of The Canadian Wheat Board as at 31st July 1954, and the results of its operations for the crop year ended on that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Winnipeg, Manitoba,
31st December 1954.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

ADDENDA

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TABLE I

ACREAGE OF PRINCIPAL GRAINS IN THE PRAIRIE PROVINCES

1935 - 1954

Harvest Year	Wheat	Oats	Barley	Rye	Flaxseed	Total
			(Thousands of Acres)			
1935.....	23,293	9,478	3,187	649	297	36,904
1936.....	24,838	8,674	3,724	562	469	38,267
1937.....	24,599	8,579	3,562	808	233	37,781
1938.....	24,946	8,518	3,687	655	202	38,008
1939.....	25,813	8,227	3,607	1,014	289	38,950
1940.....	27,750	7,818	3,622	943	364	40,497
1941.....	21,140	8,137	4,735	861	982	35,855
1942.....	20,653	9,666	6,414	1,246	1,466	39,445
1943.....	16,091	11,790	7,896	498	2,918	39,193
1944.....	22,444	10,447	6,763	573	1,298	41,525
1945.....	22,566	10,749	6,859	410	1,034	41,618
1946.....	23,731	8,522	5,797	641	821	39,512
1947.....	23,357	7,898	7,035	1,072	1,513	40,875
1948.....	22,820	7,535	6,082	1,965	1,810	40,212
1949.....	26,490	7,339	5,617	1,061	304	40,811
1950.....	25,836	7,446	6,205	1,062	525	41,074
1951.....	24,385	8,312	7,530	1,047	1,086	42,360
1952.....	25,204	7,560	8,145	1,177	1,124	43,210
1953.....	24,648	6,490	8,599	1,411	926	42,074
1954 ①.....	23,437	6,715	7,568	753	1,177	39,650

① Preliminary.

Source: Dominion Bureau of Statistics.

TABLE II

YIELD PER ACRE OF PRINCIPAL GRAINS IN THE PRAIRIE PROVINCES

1935 - 1954

Harvest Year	Wheat	Oats	Barley	Rye	Flaxseed
			(Bushels)		
1935.....	11.3	25.8	19.7	12.9	5.3
1936.....	8.1	15.7	14.1	5.7	3.7
1937.....	6.4	16.6	17.5	5.3	3.0
1938.....	13.5	27.2	21.8	14.3	5.9
1939.....	19.1	28.1	22.5	13.5	6.8
1940.....	18.5	29.3	22.9	13.0	7.9
1941.....	14.0	21.9	20.0	11.6	5.7
1942.....	25.6	51.7	37.6	18.5	10.0
1943.....	16.6	33.2	25.8	11.8	6.0
1944.....	17.5	35.5	26.4	12.4	7.2
1945.....	13.1	25.4	21.0	10.9	7.1
1946.....	16.6	29.0	23.1	11.4	7.6
1947.....	13.7	24.6	18.6	10.8	7.6
1948.....	15.6	29.7	23.3	11.4	9.3
1949.....	12.7	25.9	19.4	7.1	6.8
1950.....	16.5	34.1	25.3	10.5	8.2
1951.....	21.7	40.9	31.1	15.3	8.2
1952.....	26.3	45.8	34.5	19.5	10.7
1953.....	23.7	42.5	29.2	19.0	9.9
1954 ①.....	11.6	29.2	22.1	16.2	9.3

① Preliminary, as at November 1, 1954.

Source: Dominion Bureau of Statistics.

TABLE III

TOTAL PRODUCTION OF PRINCIPAL GRAINS IN THE PRAIRIE PROVINCES
1935 - 1954

<u>Harvest Year</u>	<u>Wheat</u>	<u>Oats</u>	<u>Barley</u> (Thousands of Bushels)	<u>Rye</u>	<u>Flaxseed</u>	<u>Total</u>
1935.....	264,096	244,854	62,625	8,379	1,563	581,517
1936.....	202,000	135,862	52,617	3,201	1,730	395,410
1937.....	156,800	142,413	62,418	4,280	694	366,605
1938.....	336,000	232,000	80,200	9,340	1,185	658,725
1939.....	494,000	231,500	81,000	13,700	1,950	822,150
1940.....	513,800	229,000	83,000	12,250	2,875	840,925
1941.....	296,000	178,000	94,700	9,989	5,641	584,330
1942.....	529,000	500,000	241,000	23,000	14,700	1,307,700
1943.....	267,800	392,000	204,000	5,870	17,600	887,270
1944.....	391,700	370,800	178,400	7,109	9,405	957,414
1945.....	294,600	273,500	144,000	4,476	7,338	723,914
1946.....	393,000	247,000	134,000	7,278	6,208	787,486
1947.....	320,000	194,000	131,000	11,630	11,550	668,180
1948.....	356,000	224,000	142,000	22,350	16,830	761,180
1949.....	341,000	190,000	109,000	7,550	2,050	649,600
1950.....	427,000	254,000	157,000	11,200	4,300	853,500
1951.....	529,000	340,000	234,000	15,980	8,870	1,127,850
1952.....	664,000	346,000	281,000	22,924	12,000	1,325,924
1953.....	584,000	276,000	251,000	26,850	9,300	1,147,150
1954 ①.....	272,000	196,000	167,000	12,179	10,950	658,129

① Preliminary, as at November 1, 1954.

Source: Dominion Bureau of Statistics.

TABLE IV.

CANADIAN WHEAT SUPPLIES AND DISPOSITION
Crop Years 1930-1931 to 1953-1954

Crop Year	SUPPLIES				DISPOSITION			Total①
	Inward Carryover①		Production①	Total Supplies	Domestic Disappearance③		Exports② Wheat and Flour	Outward Carryover July 31st
	August 1st							
	Farm	Commercial			Farm	Commercial		
(Thousands of Bushels)								
1930-1931.....	5,326	121,256	420,672	547,254	95,945	54,018	258,694	138,597
1931-1932.....	19,459	119,138	321,325	459,922	71,066	45,884	207,030	135,942
1932-1933.....	7,496	128,446	443,061	579,003	66,625	30,417	264,304	217,657
1933-1934.....	12,340	205,317	281,892	499,549	58,653	43,214	194,780	202,902
1934-1935.....	8,733	194,169	275,849	478,751	49,276	49,872	165,751	213,852
1935-1936.....	7,861	205,991	281,935	495,787	69,934	44,065	254,425	127,363
1936-1937.....	5,520	121,843	219,218	346,581	57,281	42,676	209,773	36,851
1937-1938.....	3,999	32,851	180,210	217,060	54,574	42,364	95,586	24,536
1938-1939.....	5,061	19,475	360,010	384,546	70,942	51,408	160,034	102,162
1939-1940.....	4,682	97,480	520,623	622,785	82,528	47,110	192,674	300,473
1940-1941.....	17,286	283,187	540,190	840,663	86,862	42,466	231,206	480,129
1941-1942.....	13,954	466,175	314,825	794,954	91,212	54,162	225,828	423,752
1942-1943.....	10,446	413,306	556,684	980,436	109,583	61,526	214,701	594,626
1943-1944.....	190,207	404,419	284,460	879,086	91,174	87,626	343,755	356,531
1944-1945.....	53,871	302,660	416,635	773,166	88,672	83,475	342,946	258,073
1945-1946.....	28,650	229,423	318,512	576,585	80,259	82,618	340,108	73,600
1946-1947.....	27,203	46,397	413,725	487,325	79,522	78,804	242,858	86,141
1947-1948.....	25,988	60,153	341,758	427,899	80,182	75,025	194,982	77,710
1948-1949.....	39,162	38,548	386,345	464,055	80,804	48,511	232,329	102,411
1949-1950.....	43,423	58,988	371,406	473,817	80,107	56,373	225,137	112,200
1950-1951.....	12,389	99,811	461,664	573,864	82,247	61,453	240,961	189,203
1951-1952.....	22,260	166,943	552,657	741,860	92,847	76,010	355,825	217,178
1952-1953.....	19,262	197,916	687,922	905,100	86,657	63,353	385,905	369,185
1953-1954.....	79,716	289,469	613,962	983,147	81,650	49,838	255,147	596,512
1954-1955.....	205,900	390,612	298,913	895,425				

①Source—Dominion Bureau of Statistics.

②Source—Board of Grain Commissioners.

③A residual item. Farm disappearance is computed by adding inward farm carryover and production and deducting therefrom marketings and outward farm carryover. Commercial disappearance is computed by adding inward commercial carryover and marketings and deducting therefrom outward commercial carryover and exports.

TABLE V.

CANADIAN OATS SUPPLIES AND DISPOSITION

Crop Years 1930-1931 to 1953-1954

Crop Year	SUPPLIES				DISPOSITION			Total① Outward Carryover July 31st
	Inward Carryover① August 1st		Production① (Thousands of Bushels)	Total Supplies	Domestic Disappearance③		Net② Exports	
	Farm	Commercial			Farm	Commercial		
1930-1931	12,020	9,703	423,148	444,871	350,939	19,010	11,477	63,445
1931-1932	52,604	10,841	328,278	391,723	319,511	24,353	18,010	29,849
1932-1933	22,823	7,026	391,561	421,410	357,149	7,797	14,419	42,045
1933-1934.....	27,701	14,344	307,478	349,523	282,486	26,836	9,141	31,060
1934-1935	19,333	11,727	321,120	352,180	288,647	19,200	17,863	26,470
1935-1936	20,071	6,400	394,348	420,819	352,243	12,681	15,515	40,380
1936-1937.....	31,186	9,194	271,778	312,158	258,694	25,697	9,501	18,266
1937-1938	15,231	3,035	268,442	286,708	238,578	20,404	8,227	19,499
1938-1939.....	16,120	3,379	371,382	390,881	315,512	13,549	12,933	48,887
1939-1940.....	39,654	9,233	384,407	433,294	349,645	13,129	23,589	46,931
1940-1941.....	39,781	7,150	380,526	427,457	351,055	21,189	13,650	41,563
1941-1942	37,102	4,461	305,575	347,138	285,254	21,416	11,861	28,607
1942-1943.....	24,173	4,434	651,954	680,561	437,034	30,863	63,323	149,341
1943-1944.....	118,404	30,936	482,022	631,362	386,725	61,421	74,737	108,479
1944-1945.....	69,423	39,056	499,643	608,122	369,626	54,443	85,798	98,255
1945-1946.....	64,825	33,430	381,596	479,851	287,937	70,561	43,861	77,492
1946-1947.....	51,087	26,405	371,069	448,561	269,734	79,584	29,759	69,484
1947-1948.....	52,566	16,918	278,670	348,154	220,991	69,070	10,202	47,891
1948-1949	37,593	10,298	358,807	406,698	262,113	60,858	23,220	60,507
1949-1950	48,363	12,144	317,916	378,423	252,300	60,671	20,547	44,905
1950-1951.....	33,579	11,326	419,930	464,835	291,222	43,039	35,397	95,177
1951-1952.....	59,481	35,696	488,191	583,368	355,309	49,055	70,646	108,358
1952-1953.....	57,836	50,522	466,805	575,163	314,096	51,287	65,371	144,409
1953-1954	90,660	53,749	406,960	551,369	309,657	44,389	70,700	126,623
1954-1955	97,250	29,373	312,979	439,602				

①Source—Dominion Bureau of Statistics.

②Source—Board of Grain Commissioners—includes rolled oats and oatmeal.

③A residual item. Farm disappearance is computed by adding inward farm carryover and production and deducting therefrom marketings and outward farm carryover. Commercial disappearance is computed by adding inward commercial carryover and marketings and deducting therefrom outward commercial carryover and exports.

TABLE VI.

CANADIAN BARLEY SUPPLIES AND DISPOSITION

Crop Years 1930-1931 to 1953-54

Crop Year	SUPPLIES				DISPOSITION			Total① Outward Carryover July 31st
	Inward Carryover① August 1st		Production①	Total Supplies	Domestic Disappearance③		Net ② Exports	
	Farm	Commercial			Farm	Commercial		
(Thousands of Bushels)								
1930-1931.....	3,050	21,588	135,160	159,798	101,250	9,774	19,194	29,580
1931-1932.....	17,618	11,962	67,383	96,963	70,240	5,989	13,538	7,196
1932-1933.....	3,477	3,719	80,773	87,969	68,256	2,984	5,391	11,338
1933-1934.....	3,102	8,236	63,359	74,697	51,526	10,367	1,711	11,093
1934-1935.....	1,839	9,254	63,742	74,835	49,803	3,956	15,057	6,019
1935-1936.....	2,022	3,997	83,975	89,994	66,022	6,062	7,676	10,234
1936-1937.....	4,199	6,035	71,922	82,156	53,126	6,678	17,556	4,796
1937-1938.....	1,476	3,320	83,124	87,920	57,951	8,594	14,744	6,631
1938-1939.....	3,178	3,453	102,242	108,873	73,713	7,536	14,820	12,804
1939-1940.....	7,347	5,457	103,147	115,951	81,538	11,081	10,678	12,654
1940-1941.....	7,075	5,579	104,256	116,910	84,035	19,245	2,722	10,908
1941-1942.....	6,505	4,403	110,566	121,474	85,314	23,280	2,058	10,822
1942-1943.....	5,112	5,710	259,156	269,978	137,384	29,554	33,761	69,279
1943-1944.....	41,314	27,965	215,562	284,841	147,948	54,841	36,103	45,949
1944-1945.....	23,379	22,570	194,712	240,661	124,582	47,753	39,407	28,919
1945-1946.....	17,819	11,100	157,757	186,676	94,420	57,903	4,416	29,937
1946-1947.....	13,884	16,053	148,887	178,824	78,726	64,431	6,903	28,764
1947-1948.....	16,492	12,272	141,372	170,136	75,477	60,531	2,679	31,449
1948-1949.....	17,373	14,076	155,018	186,467	83,657	51,411	21,730	29,669
1949-1950.....	18,482	11,187	120,408	150,077	74,136	38,063	17,523	20,355
1950-1951.....	11,324	9,031	171,393	191,748	81,161	34,015	23,076	53,496
1951-1952.....	17,854	35,642	245,218	298,714	109,865	39,430	69,915	79,504
1952-1953.....	21,476	58,028	291,379	370,883	109,123	31,236	118,857	111,667
1953-1954.....	38,235	73,432	262,065	373,732	101,531	34,773	90,044	147,384
1954-1955.....	96,800	50,584	176,216	323,600				

①Source—Dominion Bureau of Statistics.

②Source—Board of Grain Commissioners.

③A residual item. Farm disappearance is computed by adding inward farm carryover and production and deducting therefrom marketings and outward farm carryover. Commercial disappearance is computed by adding inward commercial carryover and marketings and deducting therefrom outward commercial carryover and exports.

TABLE VII.

CANADIAN GRAIN STORAGE POSITION

1930 to 1954 — As at July 31st

Year	VISIBLE STOCKS OF ALL GRAINS AS AT JULY 31st①						Total	Total Rated Capacity② as at Dec. 1st
	Wheat	Oats	Barley	Rye	Flax	Other Grains④		
	(Thousands of Bushels)							
1930.....	121,256	9,703	21,588	9,630	535	9,625	172,337	414,660
1931.....	119,138	10,841	11,962	13,016	798	24,978	180,733	417,111
1932.....	128,446	7,026	3,719	5,620	1,314	15,669	161,794	419,520
1933.....	205,317	14,344	8,236	5,850	1,162	4,402	239,311	419,593
1934.....	194,169	11,727	9,254	4,013	468	3,049	222,680	419,890
1935.....	205,991	6,400	3,997	3,088	309	—	219,785	420,644
1936.....	121,843	9,194	6,035	3,415	262	193	140,942	421,856
1937.....	32,851	3,035	3,320	330	455	272	40,263	423,063
1938.....	19,475	3,379	3,453	923	217	6,728	34,175	422,824
1939.....	97,480	9,233	5,457	2,541	114	3,903	118,728	424,290
1940.....	283,187	7,150	5,579	4,733	557	3,685	304,891	510,158
1941.....	466,175	4,461	4,403	4,459	605	2,557	482,660	601,191
1942.....	413,306	4,434	5,710	3,150	1,005	6,925	434,530	604,254
1943.....	404,419	30,937	27,965	9,182	3,346	894	476,743	605,988
1944.....	302,660	39,056	22,570	4,550	2,825	2,502	374,163	603,792
1945.....	229,423	33,430	11,100	1,519	2,178	167	277,817	575,882
1946.....	46,397	26,405	16,053	515	1,006	378	90,754	510,053
1947.....	60,153	16,918	12,272	475	356	359	90,533	505,197
1948.....	38,548	10,298	14,076	628	3,076	333	66,959	507,756
1949.....	58,988	12,144	11,187	7,731	10,501	349	100,900	513,243
1950.....	99,811	11,326	9,031	5,300	4,361	8,406	138,235	520,181
1951.....	166,943	35,696	35,642	2,449	998	3,608	245,336	530,662
1952.....	197,916	50,522	58,028	6,748	2,055	668	315,937	541,169
1953.....	289,469	53,749	73,432	13,036	2,468	421	432,575	561,151
1954③.....	390,612	29,373	50,584	6,738	1,483	1,449	480,239	583,417

① Includes stocks in unlicensed mills and any stocks in licensed mills which have been transferred from elevator storage proper to the mill or feed plants for processing.

② Includes all storage i.e. licensed and unlicensed, permanent and temporary.

③ Subject to revision.

④ From 1930 to 1948 inclusive—stocks are for the week ending closest to July 31st in each case.

Source for all data—Board of Grain Commissioners.

TABLE VIII.

CANADIAN EXPORTS OF GRAIN AND GRAIN PRODUCTS

Crop Years 1940-41 to 1953-54

<u>Crop Year</u>	<u>Wheat</u>	<u>Wheat Flour^①</u>	<u>Oats and Oats Products</u> (Thousands of Bushels)	<u>Barley</u>	<u>Rye</u>	<u>Flax</u>	<u>Total</u>
1940-41.....	184,906	46,300	13,650	2,722	1,957	55	249,590
1941-42.....	179,902	45,926	11,861	2,058	2,791	842	243,380
1942-43.....	158,112	56,588	63,323	33,761	2,004	5,202	318,990
1943-44.....	283,165	60,590	74,737	36,103	8,108	10,050	472,753
1944-45.....	280,288	62,657	85,798	39,407	6,188	4,327	478,665
1945-46.....	278,070	62,038	43,861	4,416	2,968	346	391,699
1946-47.....	163,388	79,470	29,759	6,903	5,269	61	284,850
1947-48.....	133,505	61,477	10,202	2,679	10,226	1,788	219,877
1948-49.....	184,235	48,094	23,220	21,730	10,239	4,413	291,931
1949-50.....	179,457	45,680	20,547	17,523	9,954	3,034	276,195
1950-51.....	185,039	55,921	35,397	23,076	9,367	4,131	312,931
1951-52.....	304,722	51,103	70,646	69,915	6,819	2,882	506,087
1952-53.....	329,026	56,501	65,371	118,857	8,993	4,060	582,808
1953-54.....	208,835	46,312	70,700	90,044	16,835	5,172	437,898

①In Wheat Equivalent.

Source:—Board of Grain Commissioners for Canada.

TABLE IX.

DISTRIBUTION OF CANADIAN WHEAT AND WHEAT FLOUR
EXPORTS BY SELECTED AREAS

Crop Years 1940-41 to 1953-54

Crop Year	United Kingdom	Europe (Excl. U.K.)	U.S.A.	North and Central ^② America (Excl. U.S.A.) (Thousands of Bushels)	South America	Africa	Asia and Oceania	Total
1940-41.....	191,283 (82.7%)	10,042 (4.3%)	11,912 (5.2%)	7,337 (3.2%)	2,108 (0.9%)	1,647 (0.7%)	6,877 (3.0%)	231,206 (100.0%)
1941-42.....	149,774 (66.3%)	26,471 (11.7%)	18,634 (8.3%)	10,519 (4.7%)	2,080 (0.9%)	14,940 (6.6%)	3,410 (1.5%)	225,828 (100.0%)
1942-43.....	150,232 (70.0%)	24,579 (11.4%)	14,862 (6.9%)	9,568 (4.5%)	1,482 (0.7%)	12,220 (5.7%)	1,757 (0.8%)	214,700 (100.0%)
1943-44.....	114,522 (33.4%)	37,240 (10.8%)	159,838 (46.5%)	10,272 (3.0%)	1,710 (0.5%)	18,979 (5.5%)	1,194 (0.3%)	343,755 (100.0%)
1944-45.....	152,598 (44.5%)	86,619 (25.3%)	41,942 (12.2%)	8,912 (2.6%)	4,175 (1.2%)	27,449 (8.0%)	21,250 (6.2%)	342,945 (100.0%)
1945-46.....	151,491 (44.6%)	88,180 (25.9%)	13,047 (3.8%)	10,163 (3.0%)	5,128 (1.5%)	38,175 (11.2%)	33,922 (10.0%)	340,106 (100.0%)
1946-47.....	160,983 (66.4%)	38,448 (15.8%)	1,695 (0.7%)	10,031 (4.1%)	7,022 (2.9%)	9,820 (4.0%)	14,859 (6.1%)	242,858 (100.0%)
1947-48.....	160,707 (82.4%)	14,802 (7.6%)	140 (0.1%)	8,455 (4.4%)	2,804 (1.4%)	1,178 (0.6%)	6,896 (3.5%)	194,982 (100.0%)
1948-49.....	151,728 (65.3%)	26,099 (11.2%)	5,544 (2.4%)	9,040 (3.9%)	4,578 (2.0%)	11,031 (4.7%)	24,309 (10.5%)	232,329 (100.0%)
1949-50.....	130,285 (57.9%)	28,932 (12.8%)	13,747 (6.1%)	10,535 (4.7%)	7,022 (3.1%)	9,633 (4.3%)	24,983 (11.1%)	225,137 (100.0%)
1950-51.....	101,556 (42.1%)	52,792 (21.9%)	21,222 (8.8%)	10,555 (4.4%)	10,396 (4.3%)	9,980 (4.1%)	34,460 (14.4%)	240,961 (100.0%)
1951-52.....	127,510 (35.8%)	97,916 (27.5%)	38,981 (11.0%)	11,428 (3.2%)	17,278 (4.9%)	12,568 (3.5%)	50,144 (14.1%)	355,825 (100.0%)
1952-53.....	122,854 (31.9%)	121,162 (31.4%)	23,140 (6.0%)	8,356 (2.2%)	25,976 (6.7%)	21,753 (5.6%)	62,286 (16.2%)	385,527 (100.0%)
1953-54 ^①	82,040 (32.2%)	64,989 (25.5%)	7,971 (3.1%)	11,264 (4.4%)	19,643 (7.7%)	11,309 (4.4%)	57,931 (22.7%)	255,147 (100.0%)

①Subject to revision.

②Includes Newfoundland up to 1949-50. Source:—Board of Grain Commissioners for Canada.

TABLE X.

DISTRIBUTION OF CANADIAN OATS^① EXPORTS BY SELECTED AREAS

Crop Years 1940-41 to 1953-54

Crop Year	United Kingdom	Europe (Excl. U.K.)	U.S.A.	North and Central ^③ America (Excl. U.S.A.) (Thousands of Bushels)	South America	Africa	Asia and Oceania	Total
1940-41.....	— —	84 (0.8%)	10,073 (98.3%)	53 (0.5%)	— —	— —	40 (0.4%)	10,250 (100.0%)
1941-42.....	194 (4.0%)	425 (8.7%)	3,421 (70.1%)	106 (2.2%)	— —	— —	6 (0.1%)	4,877 ^② (85.1%)
1942-43.....	63 (0.1%)	316 (0.5%)	61,550 (98.8%)	398 (0.6%)	— —	— —	— —	62,327 (100.0%)
1943-44.....	— —	— —	71,902 (99.6%)	266 (0.4%)	— —	— —	— —	72,168 (100.0%)
1944-45.....	5,145 (6.6%)	1,378 (1.8%)	69,708 (89.8%)	409 (0.5%)	77 (0.1%)	— —	928 (1.2%)	77,645 (100.0%)
1945-46.....	3,076 (8.1%)	18,741 (50.0%)	13,264 (35.4%)	738 (2.0%)	69 (0.2%)	1,099 (2.9%)	524 (1.4%)	37,511 (100.0%)
1946-47.....	10,760 (49.5%)	7,453 (34.2%)	849 (3.9%)	379 (1.7%)	7 —	269 (1.2%)	2,075 (9.5%)	21,792 (100.0%)
1947-48.....	— —	4,092 (75.6%)	1,215 (22.4%)	103 (1.9%)	4 (0.1%)	— —	— —	5,414 (100.0%)
1948-49.....	— —	3,059 (14.3%)	18,245 (85.1%)	89 (0.4%)	18 (0.1%)	— —	16 (0.1%)	21,427 (100.0%)
1949-50.....	— —	1,945 (10.2%)	17,089 (89.2%)	68 (0.4%)	24 (0.1%)	— —	16 (0.1%)	19,142 (100.0%)
1950-51.....	— —	4,073 (11.7%)	30,562 (88.0%)	55 (0.2%)	18 (0.1%)	— —	9 —	34,717 (100.0%)
1951-52.....	— —	10,957 (15.7%)	58,573 (84.2%)	36 (0.1%)	4 —	— —	9 —	69,579 (100.0%)
1952-53.....	564 (0.9%)	4,694 (7.2%)	59,527 (91.8%)	37 (0.1%)	4 —	— —	31 —	64,857 (100.0%)
1953-54.....	1,542 (2.2%)	2,383 (3.4%)	65,878 (94.2%)	74 (0.1%)	2 —	— —	35 (0.1%)	69,914 (100.0%)

①Includes Oats as grain only.

②Excludes 725,000 bushels (14.9%) bagged grain—destination unknown.

③Includes Newfoundland up to 1949-50.

Source:—Board of Grain Commissioners for Canada.

TABLE XI.

DISTRIBUTION OF CANADIAN BARLEY EXPORTS BY SELECTED AREAS
Crop Years 1940-41 to 1953-54

Crop Year	United Kingdom	Europe (Excl. U.K.)	U.S.A.	North and Central America (Excl. U.S.A.) ^① (Thousands of Bushels)	South America	Africa	Asia and Oceania	Total
1940-41.....	186 (6.8%)	1,226 (45.0%)	1,155 (42.5%)	153 (5.6%)	2 (0.1%)	—	—	2,722 (100.0%)
1941-42.....	—	131 (6.4%)	1,690 (82.1%)	234 (11.4%)	—	—	—	2,058 ^② (99.9%)
1942-43.....	—	—	33,472 (99.1%)	289 (0.9%)	—	—	—	33,761 (100.0%)
1943-44.....	—	—	35,805 (99.2%)	298 (0.8%)	—	—	—	36,103 (100.0%)
1944-45.....	—	3,609 (9.2%)	35,794 (90.8%)	4 —	—	—	—	39,407 (100.0%)
1945-46.....	—	755 (17.1%)	3,661 (82.9%)	—	—	—	—	4,416 (100.0%)
1946-47.....	—	2,845 (41.2%)	4,058 (58.8%)	—	—	—	—	6,903 (100.0%)
1947-48.....	—	1,378 (51.5%)	1,155 (43.1%)	145 (5.4%)	—	—	—	2,678 (100.0%)
1948-49.....	—	10,832 (49.8%)	10,647 (49.0%)	229 (1.1%)	—	—	22 (0.1%)	21,730 (100.0%)
1949-50.....	—	1,300 (7.4%)	16,202 (92.5%)	—	—	—	21 (0.1%)	17,523 (100.0%)
1950-51.....	160 (0.7%)	11,127 (48.2%)	10,588 (45.9%)	—	—	—	1,200 (5.2%)	23,075 (100.0%)
1951-52.....	7,656 (11.0%)	36,627 (52.4%)	10,220 (14.6%)	—	1 —	—	15,411 (22.0%)	69,915 (100.0%)
1952-53.....	16,085 (13.5%)	53,190 (44.7%)	24,085 (20.3%)	—	1 —	—	25,496 (21.5%)	118,857 (100.0%)
1953-54.....	19,639 (21.8%)	13,438 (14.9%)	36,921 (41.0%)	2 —	—	—	20,044 (22.3%)	90,044 (100.0%)

①Includes Newfoundland up to 1949-50.

②3,000 bushels (0.1%) bagged grain—destination unknown.

Source:—Board of Grain Commissioners for Canada.

TABLE XII.

PRODUCERS' MARKETINGS — WESTERN CANADIAN GRAINS

Crop Years 1940-41 to 1953-54

Crop Year	Wheat	Oats	Barley (Bushels)	Rye	Flaxseed	Total
1940-41.....	456,660,058	32,149,896	20,790,991	5,047,868	2,572,041	517,220,854
1941-42.....	227,121,473	33,249,558	26,643,725	5,338,536	4,898,440	297,251,732
1942-43.....	267,340,161	120,689,166	85,571,086	9,776,538	11,359,357	494,736,308
1943-44.....	329,322,220	144,276,857	85,549,252	4,690,383	14,239,167	578,077,879
1944-45.....	351,384,318	134,615,355	75,689,902	4,121,984	7,153,881	572,965,440
1945-46.....	237,299,606	107,397,119	67,271,699	3,096,064	4,734,151	419,798,639
1946-47.....	334,617,560	99,856,318	67,552,860	5,577,317	4,807,813	512,411,868
1947-48.....	246,601,915	72,652,356	65,014,326	10,142,822	10,503,386	404,914,805
1948-49.....	293,986,770	85,924,428	70,251,803	17,502,276	15,165,732	482,831,009
1949-50.....	319,570,690	80,447,561	53,326,320	8,688,622	1,492,591	463,525,784
1950-51.....	367,845,304	102,687,859	83,414,378	7,440,637	3,253,563	564,641,741
1951-52.....	455,362,092	133,608,151	130,336,472	11,726,958	6,362,707	737,396,380
1952-53.....	535,988,508	119,749,526	165,035,928	15,925,804	8,154,971	844,854,737
1953-54①.....	398,740,177	90,545,072	101,573,525	11,865,230	7,353,526	610,077,530

①Preliminary—Subject to revision.

Source: Board of Grain Commissioners for Canada.

TABLE XIII.

RAIL SHIPMENTS FROM WESTERN COUNTRY ELEVATORS

Crop Years 1940-41 to 1953-54

Crop Year	Wheat	Oats	Barley (Bushels)	Rye	Flaxseed	Total
1940-41.....	291,791,209	30,091,662	19,414,309	5,036,067	2,408,460	348,741,707
1941-42.....	302,863,784	30,878,141	25,134,042	5,303,857	4,568,193	368,748,017
1942-43.....	175,936,393	103,617,387	76,125,989	5,733,391	10,050,418	371,463,578
1943-44.....	408,794,410	146,389,951	90,739,736	8,510,339	14,986,072	669,420,508
1944-45.....	424,079,134	147,124,431	82,033,858	4,502,589	7,093,780	664,833,792
1945-46.....	297,307,308	110,204,349	67,685,661	2,960,473	5,135,814	483,293,605
1946-47.....	331,120,642	105,562,688	72,168,541	5,705,585	4,725,954	519,283,410
1947-48.....	247,005,399	75,656,162	66,070,399	9,785,253	9,860,350	408,377,563
1948-49.....	289,843,302	83,035,066	68,904,394	16,169,309	15,485,845	473,437,916
1949-50.....	308,377,624	80,930,369	53,615,249	9,634,397	1,537,866	454,095,505
1950-51.....	309,397,232	90,260,430	74,336,962	7,815,471	3,010,111	484,820,206
1951-52.....	429,643,419	121,922,070	114,449,354	9,607,348	5,704,183	681,326,374
1952-53.....	474,918,967	105,504,254	143,415,520	14,611,088	7,476,310	745,926,139
1953-54①.....	331,110,094	110,381,579	115,349,009	11,211,492	7,621,357	575,673,531

①Subject to revision.

Source: Board of Grain Commissioners for Canada.

TABLE XIV.

VESSEL SHIPMENTS OF PRINCIPAL GRAINS FROM THE LAKEHEAD

Crop Years 1940-41 to 1953-54

Crop Year	Wheat	Oats	Barley (Bushels)	Rye	Flaxseed	Total
1940-41	217,439,003	13,018,645	9,971,860	4,297,261	1,612,798	246,339,567
1941-42	204,944,133	5,456,822	9,892,366	3,875,989	2,010,339	226,179,649
1942-43	171,325,422	36,303,618	32,438,575	1,590,318	5,669,143	247,327,076
1943-44	292,728,915	50,777,311	42,212,992	9,441,840	10,601,127	405,762,185
1944-45	324,730,999	99,242,739	55,567,683	5,664,591	5,500,932	490,706,944
1945-46	231,022,017	62,323,412	34,008,271	2,713,341	3,335,534	333,402,575
1946-47	175,806,761	50,311,335	31,221,973	4,776,225	1,339,983	263,456,277
1947-48	134,545,364	34,434,520	28,312,907	8,549,033	5,933,346	211,775,170
1948-49	159,860,617	39,725,647	37,918,784	12,320,244	9,624,601	259,449,893
1949-50	164,958,725	41,204,023	33,796,178	9,687,245	4,280,260	253,926,431
1950-51	141,708,034	45,064,802	34,476,555	8,871,808	3,630,491	233,751,690
1951-52	253,116,277	82,874,027	73,274,674	6,977,331	4,071,347	420,313,656
1952-53	251,809,101	81,132,026	109,096,288	10,678,063	6,044,005	458,759,483
1953-54	134,979,624	86,623,147	84,061,615	15,882,365	5,391,323	326,938,074

Source: Dominion Bureau of Statistics — Grain Trade of Canada — Annual Editions.

TABLE XV
OVERSEAS CLEARANCES OF CANADIAN BULK GRAIN BY PORT AREAS
Crop Years 1945-46 to 1953-54

Crop Year	Atlantic① Coast	St. Lawrence	Lakehead Direct (Thousands of Bushels)	Churchill	Pacific Coast	Total
1945-46.....	103,519	121,683	—	—	66,952	292,154
1946-47.....	37,220	87,174	—	2,929	61,715	189,038
1947-48.....	37,053	71,660	—	4,976	36,854	150,543
1948-49.....	34,974	99,955	—	5,314	60,696	200,939
1949-50.....	18,139	86,523	217	5,528	62,651	173,058
1950-51.....	21,383	94,840	119	6,768	68,481	191,591
1951-52.....	31,726	191,355	116	7,545	113,412	344,154
1952-53.....	42,185	240,786	533	8,621	121,374	413,499
1953-54.....	12,830	105,460	784	10,981	133,972	264,027

①Includes U.S.A. Atlantic Ports.

Source: Board of Grain Commissioners for Canada.

TABLE XVI.
WHEAT PRODUCTION IN THE FOUR MAJOR EXPORTING COUNTRIES
Crop Years 1945-46 to 1954-55

Crop Years	Canada	Argentina	Australia (Thousand of Bushels)	United States	Total
1945-46.....	318,512	150,116	142,419	1,107,623	1,718,670
1946-47.....	413,725	206,304	117,264	1,152,118	1,889,411
1947-48.....	341,758	238,800	220,117	1,358,911	2,159,586
1948-49.....	386,345	191,000	190,699	1,294,911	2,062,955
1949-50.....	371,406	189,017	218,221	1,098,415	1,877,059
1950-51.....	461,664	212,967	184,244	1,019,389	1,878,264
1951-52.....	552,657	77,162	159,725	980,810	1,770,354
1952-53.....	687,922	277,909	195,208	1,298,957	2,459,996
1953-54.....	613,962	227,800	199,000	1,169,484	2,210,246
1954-55 ①.....	298,913	257,200	155,000	969,781	1,680,894

①Preliminary.

Source: For Canada—Dominion Bureau of Statistics.

For U.S.A.—U.S. Department of Agriculture.

For Argentina and Australia:—

for years 1945-46 to 1952-53 — International Wheat Council.

for years 1953-54 to 1954-55 — Official sources of the countries concerned.

TABLE XVII.

WORLD EXPORTS OF WHEAT AND WHEAT FLOUR BY PRINCIPAL EXPORTERS
DISTRIBUTION BY QUANTITY AND PERCENTAGE OF WORLD TRADE

July-June Crop Years 1945-46 to 1953-54

Crop Year	Argentina	Australia	Canada (millions of bushels)	United States	Others	World Total
1945-46.....	68 (7.8%)	36 (4.2%)	373 (43.0%)	390 (44.9%)	1 (0.1%)	868 (100.0%)
1946-47.....	60 (8.0%)	47 (6.2%)	229 (30.3%)	397 (52.6%)	22 (2.9%)	755 (100.0%)
1947-48.....	102 (10.9%)	96 (10.3%)	205 (22.0%)	485 (51.9%)	46 (4.9%)	934 (100.0%)
1948-49.....	61 (6.2%)	122 (12.3%)	225 (22.8%)	504 (50.9%)	77 (7.8%)	989 (100.0%)
1949-50.....	88 (10.6%)	114 (13.8%)	232 (28.1%)	305 (36.9%)	88 (10.6%)	827 (100.0%)
1950-51.....	103 (10.9%)	127 (13.5%)	226 (24.0%)	365 (38.8%)	121 (12.8%)	942 (100.0%)
1951-52.....	30 (2.8%)	99 (9.3%)	345 (32.4%)	475 (44.7%)	115 (10.8%)	1,064 (100.0%)
1952-53.....	29 (3.0%)	100 (10.2%)	384 (39.2%)	317 (32.4%)	149 (15.2%)	979 (100.0%)
1953-54①.....	108 (13.1%)	71 (8.6%)	279 (33.9%)	216 (26.2%)	150 (18.2%)	824 (100.0%)

①Subject to revision.

Source: For Canada: Board of Grain Commissioners for Canada.

All Others: Foreign Agricultural Service, United States Department of Agriculture.

TABLE XVIII.
WHEAT ACREAGE IN SELECTED COUNTRIES
1945-46 to 1953-54

Year	Belgium	Brazil	Denmark	France (Thousand acres)	Germany (West)	Italy
1945.....	414	812	216	9,351	1,899 ^①	11,067
1946.....	341	743	221	10,208	2,306	11,415
1947.....	192	868	60	8,384	2,060	11,122
1948.....	354	1,325	170	10,456	2,241	11,526
1949.....	378	1,557	206	10,434	2,279	11,686
1950.....	430	1,611	210	10,673	2,506	11,661
1951.....	408	1,792	200	10,502	2,545	11,683
1952.....	415	2,002	183	10,616	2,948	11,567
1953.....	412	2,016 ^②	173	10,600	2,832	12,100

Year	Japan	Netherlands	Sweden	Switzerland (Thousand acres)	Turkey	United Kingdom
1945.....	1,788	295	719	242	9,247	2,276
1946.....	1,562	302	748	232	9,466	2,062
1947.....	1,428	212	723	225	10,321	2,163
1948.....	1,824	244	780	211	11,342	2,279
1949.....	1,872	256	759	206	9,903	1,963
1950.....	1,883	225	838	215	11,063	2,479
1951.....	1,811	185	811	242	12,170	2,130
1952.....	1,779	203	820	250	13,673	2,031
1953.....	1,693	161	959	211	16,126 ^③	2,217

①Bi-zone.

Sources: For 1945 to 1952 — International Wheat Council.

1953

— United States Department of Agriculture and International Wheat Council.

③Preliminary.

TABLE XIX.
WHEAT PRODUCTION IN SELECTED COUNTRIES
1945-46 to 1953-54

Year	Belgium	Brazil	Denmark	France (Thousand Bushels)	Germany (West)	Italy
1945.....	11,387	6,272	10,267	154,559	47,861 ^①	153,327
1946.....	13,440	7,803	10,901	248,267	56,299	225,083
1947.....	4,480	13,216	2,016	119,989	43,792	171,883
1948.....	12,656	14,896	9,334	280,485	73,771	226,016
1949.....	21,914	16,090	11,013	296,947	90,794 ^②	259,838
1950.....	20,099	19,548	10,950	282,963	96,048	285,646
1951.....	19,436	15,579	10,031	261,468	108,357 ^③	255,810
1952.....	21,273	25,351	11,060	309,419	120,924 ^③	289,173
1953.....	20,250	21,971 ^④	10,400	330,000	116,836 ^③	332,000

Year	Japan	Netherlands	Sweden	Switzerland (Thousand Bushels)	Turkey	United Kingdom
1945.....	34,645	7,989	21,616	8,213	80,453	81,237
1946.....	21,691	13,179	25,013	7,467	134,064	73,435
1947.....	26,992	7,131	14,672	6,869	119,280	62,235
1948.....	33,077	11,237	25,797	7,168	159,675	88,144
1949.....	45,920	15,642	25,648	9,333	92,474	82,282
1950.....	49,163	10,839	27,154	8,378	142,272	97,297
1951.....	54,744	9,921	17,527	9,589	210,526	86,458
1952.....	56,475	12,015	28,731	10,251	241,609	86,127
1953.....	50,500	9,500	36,339	8,340 ^⑤	298,851 ^③	99,456

①Bi-Zone.

②Including spelt.

③Preliminary.

Sources: 1945-52 — International Wheat Council.

1953 — U.S. Department of Agriculture and International Wheat Council.

TABLE XX.

IMPORTS OF WHEAT AND FLOUR INTO SELECTED COUNTRIES
FROM ALL SOURCES

Crop Years ①1947-48 to 1953-54

Crop Year	Belgium Luxembourg	Brazil	Denmark (Thousand Bushels)	France	Germany (West)	Italy
1947-48.....	28,288	22,953	3,483	52,759	133,803	82,161
1948-49.....	26,411	33,690	3,483	16,777	121,270	92,684
1949-50.....	23,743	36,739	908	11,758	89,822	36,603
1950-51.....	37,739	54,042	2,175	10,189	96,744	63,338
1951-52.....	30,203	50,000	1,984	35,659	80,504	59,505
1952-53.....	27,708	48,284	3,836	10,960	86,798	52,238
1953-54②.....	23,552	48,350	4,890	1,319	77,752	13,194

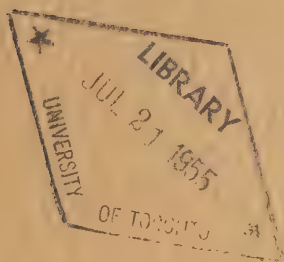
Crop Year	Japan	Netherlands	Sweden (Thousand Bushels)	Switzerland	Turkey	United Kingdom
1947-48.....	45,558	28,498	6,515	15,381	345	198,717
1948-49.....	66,233	28,428	2,410	14,396	—	214,406
1949-50.....	76,955	24,684	2,811	11,060	12,801	167,416
1950-51.....	61,717	26,833	2,998	16,505	2,829	162,202
1951-52.....	63,180	32,569	8,686	12,853	1,653	183,539
1952-53.....	40,818	33,010	8,998	13,551	—	167,074
1953-54②.....	93,864	28,200	595	14,396	—	133,079

① July-June year.

② Subject to revision.

Source: Food and Agriculture Organization of the United Nations.

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**SUPPLEMENTARY
REPORT**

OF *THE CANADIAN WHEAT BOARD*

**The Canadian
Wheat Board**

ON THE

1953 - 1954

POOL ACCOUNT - WHEAT

PRINTED BY THE GOVERNMENT OF CANADA

**SUPPLEMENTARY
R E P O R T**

OF

**The Canadian
Wheat Board**

ON THE

**1953 - 1954
POOL ACCOUNT - WHEAT**

Supplementary Report of The Canadian Wheat Board on the 1953-54 Pool Account—Wheat

The RIGHT HONOURABLE C. D. HOWE,
Minister of Trade and Commerce,
OTTAWA, Canada.

Sir:

The Annual Report of The Canadian Wheat Board for 1953-54 included financial statements relevant to the operations of the 1953-54 Pool Account—Wheat up to July 31, 1954. The 1953-54 Pool Account was closed as at April 29, 1955 and we beg to submit herewith final operating statements for this Pool.

1. Total Receipts and Final Disposition— 1953-54 Pool Account—Wheat

TOTAL RECEIPTS

Total receipts of wheat in the 1953-54 Pool were 548,134,652.4 bushels.* This total included 398,031,635.6 bushels delivered by producers from August 1, 1953 to July 31, 1954 and an additional 1,423,455.1 bushels acquired by the Board from other than producers, as well as 148,679,561.7 bushels of priced open contracts and unsold stocks transferred from the 1952-53 Pool to the 1953-54 Pool as at January 30, 1954.

DISPOSITION OF STOCKS

The final disposition of stocks in the 1953-54 Pool, including completed sales and weight losses in transit and drying, along with stocks transferred from the 1953-54 Pool to the 1954-55 Pool as at April 29, 1955 is shown in the following table:

SALES	Bushels
Domestic Sales.....	74,591,355.9
Export Sales on a Class II basis.....	166,457,498.2
Export Sales under terms of the International Wheat Agreement.....	143,002,674.1
Weight losses in transit and drying.....	27,612.9
Total disposition.....	384,079,141.1
Transfer to the 1954-55 Pool Account— Wheat.....	164,055,511.3
	<u>548,134,652.4</u>

Domestic sales applicable to the 1953-54 Pool were 74,591,355.9 bushels. Export sales on a Class II basis were 166,457,498.2 bushels, while export sales for registration under the provisions of the revised International Wheat Agreement amounted to 143,002,674.1 bushels. Completed sales to all markets (including weight losses) applicable to the 1953-54 Pool were 384,079,141.1 bushels. Open priced contracts and unsold stocks

*Pool receipts were adjusted upward by 36,940.7 bushels as compared with those shown in the Annual Report of The Canadian Wheat Board for 1953-54.

remaining in the Pool as at April 29, 1955 were transferred to the 1954-55 Pool.

TRANSFER OF REMAINING STOCKS

Under provisions of Section 29 of The Canadian Wheat Board Act, the 1953-54 Pool was closed on April 29, 1955. As at that date priced open sales contracts and unsold stocks of wheat remaining in the Pool were transferred to the 1954-55 Pool.

The following table shows the principal grades of wheat transferred to the 1954-55 Pool as at April 29, 1955:

GRADES (Including toughs and damp)	Bushels
No. 1 Northern.....	5,117,033.9
No. 2 Northern.....	101,458,626.8
No. 3 Northern.....	38,491,064.8
No. 4 Northern.....	5,268,032.6
No. 5 Wheat.....	6,272,542.3
Feed Wheat.....	309,333.3
No. 2 Canada Western Garnet.....	437,042.8
No. 3 Canada Western Garnet.....	5,253,699.4
No. 1 Alberta Red Winter.....	106,872.8
No. 2 Alberta Winter.....	531,673.6
No. 3 Alberta Winter.....	116,534.5
Other Grades.....	693,054.5
Total.....	<u>164,055,511.3</u>

Total stocks transferred from the 1953-54 Pool to the 1954-55 Pool were 164,055,511.3 bushels. Of these stocks, 42,903,669.3 bushels were covered by open sales contracts and were transferred to the 1954-55 Pool at contract prices. The remaining 121,151,842.0 bushels of unsold stocks (including unpriced open sales contracts) were transferred to the 1954-55 Pool at the Board's current market price on the date of the transfer, namely, \$1.76 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, less an allowance of 4½¢ per bushel on all grades for carrying charges subsequent to the date of transfer. A further allowance of 7¢ per bushel was provided on grades comprising about 11% of the unsold stocks in the transfer which were considered to be slow moving or subject to greater market risk.

2. 1953-54 Pool Account—Wheat

The following table shows the operating results of the 1953-54 Pool Account from August 1, 1953 to the closing date of the Pool, April 29, 1955:

1. Wheat acquired by the Board:	Bushels	
(a) Producers' deliveries, August 1, 1953 to July 31, 1954.....	398,031,635.6	
(b) Purchases from 1952-53 Pool Account—Wheat.....	148,679,561.7	
(c) Wheat otherwise acquired ①.....	1,423,455.1	
Total wheat acquired.....	548,134,652.4	
2. Cost of wheat acquired.....	(Value)	(Value) \$795,192,849.17
3. Proceeds of Sales—August 1, 1953 to April 29, 1955.....	\$651,759,957.67	
Sales value of stocks transferred to 1954-55 Pool Account as at April 29, 1955 ②.....	273,444,816.81	925,204,774.48
4. Gross surplus as at April 29, 1955.....		130,011,925.31
5. Operating costs—August 1, 1953 to April 29, 1955:		
(a) Carrying charges, including terminal storage.....	52,525,475.49	
(b) Net interest, exchange and bank charges.....	9,849,964.89	
(c) Additional freight (net).....	131,479.98	
(d) Handling, stop-off and diversion charges.....	683,003.12	
(e) Drying charges.....	42,815.24	
(f) Administrative and general expenses.....	2,054,039.04	65,286,777.76
6. Surplus on operations of the Board on the 1953-54 Pool Account—Wheat, for the period 1st August 1953 to 29th April 1955.....		\$ 64,725,147.55

① Net bushels acquired from the adjustment of overages and shortages, etc. at country and terminal elevators at Board initial prices, basis in store Fort William/Port Arthur or Vancouver.

② For details of transfer see Page 1.

3. Surplus for Distribution to Producers

As shown in the preceding table, the surplus on the operations of the Board on the 1953-54 Pool Account as at April 29, 1955 was \$64,725,147.55 before providing for the interim payment which had been authorized by Order in Council P.C. 1954-1663, November 3, 1954. The interim payment which was distributed to producers between November 23rd and December 20, 1954, was 10c per bushel on wheat delivered to the 1953-54 Pool between August 1, 1953 and July 31, 1954, with the provision that the interim payment

should not apply on Garnet Wheat, Soft White Spring Wheat, Alberta Red Winter and Alberta Winter Wheat. The interim payment involved the distribution of \$38,638,704.15 and this sum became a liability of the 1953-54 Pool.

After allowing for the interim payment, the Prairie Farm Assistance Act levy on the interim and final payments and the cost of issuing the final payment, and after adding estimated interest earnings subsequent to April 29, 1955, the final net surplus for distribution to producers was \$25,411,407.89, as shown in the following table:

Surplus on operations of the Board as at April 29, 1955.....			\$64,725,147.55
Deduct: 10c per bushel Interim Payment.....			38,638,704.15
			<hr/> 26,086,443.40
Deduct: Prairie Farm Assistance Act levy.....	\$646,970.83		
Cost of issuing final payment.....	139,557.42	786,528.25	
			<hr/> 25,299,915.15
Add: Estimated additional interest accruing from April 29, 1955 to date of distribution.....			111,492.74
			<hr/>
Balance for final distribution to producers.....			<u>\$25,411,407.89</u>

As shown by the above table, the final surplus for distribution to producers was \$25,411,407.89. On producers' deliveries of 398,031,635.6 bushels the final payment averaged 6.38426c per bushel. The distribution of final payment cheques to producers was to be completed in June, 1955.

4. Comments on the 1953-54 Pool Account—Wheat

Total operating costs incurred by the Board in the period August 1, 1953 to April 29, 1955 applicable to the 1953-54 Pool were \$65,286,777.76, consisting of the following:

(a) Carrying Charges—\$52,525,475.49

This includes storage and interest charges on grain carried in country elevators and storage charges on grain held in terminal and mill positions.

(b) Net Interest, Exchange and Bank Charges—\$9,849,964.89

This item comprises principally sums paid to banks, Board agents and mills on loans and provisional advances on Board grain.

(c) Additional Freight (Net)—\$131,479.98

This item consisted chiefly of additional freight paid on wheat shipped from Saskatchewan

stations to the Pacific Coast against the Fort William/Port Arthur freight differential and on low grade wheat shipped from Alberta stations to the Lakehead. The item also includes freight credits on wheat shipped to Churchill.

(d) Handling, Stop-off and Diversion Charges—\$683,003.12

These charges were incurred in shipping wheat to interior and other terminals for storage and in diverting wheat for shipment to Churchill and Prince Rupert.

(e) Drying Charges—\$42,815.24

This cost covers the drying of Board grain.

(f) Administrative and General Expenses—\$2,054,039.04

Administrative and general expenses of the Board applicable to the 1953-54 Pool Account amounted to .514 cent per bushel on handlings of 399,455,090.7 bushels.

5. Realized Prices

RED SPRING WHEAT GRADES

The following table shows initial payments, interim payments, final payments and total prices realized by producers for the principal grades of red spring wheat delivered to the

Board for 1953-54 account basis in store Fort William/Port Arthur or Vancouver, after deducting net operating costs, including carrying charges, interest and administrative expenses:

	Initial* Payment	Interim* Payment	Final* Payment	Realized* Price
	(dollars per bushel)			
No. 1 Northern.....	1.40	.10	.06426	1.56426
No. 2 Northern.....	1.37	.10	.04920	1.51920
No. 3 Northern.....	1.34	.10	.05488	1.49488
No. 4 Northern.....	1.26	.10	.08568	1.44568
No. 5 Wheat.....	1.12	.10	.10924	1.32924
No. 6 Wheat.....	1.06	.10	.13538	1.29538
Feed Wheat.....	1.00	.10	.16726	1.26726

*Prices and payments prior to deduction for Prairie Farm Assistance Act levy.

AMBER DURUM GRADES

Throughout the 1953-54 pool period demand continued strong for the milling grades of Amber Durum Wheat. As a result of this demand it was possible for the Board to dispose of the milling grades of this variety of wheat at a premium over corresponding Northern grades of wheat. ^①

The following table summarizes Board payments to producers and final payments realized by producers basis in store Fort William/Port Arthur or Vancouver for the principal grades of Amber Durum Wheat delivered to the Board for 1953-54, after deducting net operating costs:

	Initial* Payment	Interim* Payment	Final* Payment	Realized* Price
	(dollars per bushel)			
No. 1 Amber Durum.....	1.50	.10	.52613	2.12613
No. 2 Amber Durum.....	1.47	.10	.52936	2.09936
No. 3 Amber Durum.....	1.40	.10	.57098	2.07098
No. 4 Amber Durum.....	1.36	.10	.55720	2.01720
No. 5 Amber Durum.....	1.22	.10	.19453	1.51453
No. 6 Amber Durum.....	1.16	.10	.21453	1.47453

*Prices and payments prior to deduction for Prairie Farm Assistance Act levy.

^①By authority of Order in Council P.C. 1953-1478, September 24, 1953, the Board's domestic selling prices for Amber Durum grades were increased by 10c per bushel over the price at which the Board sold similar grades of wheat under the terms of the International Wheat Agreement. In 1954-55 by Order in Council P.C. 1954-1067, July 13, 1954, the Board was authorized to sell Durum grades on the domestic market at a premium over the selling prices for these grades under the International Wheat Agreement.

Throughout the selling period of the 1953-54 Pool Board selling prices for Amber Durum Wheat sold under the International Wheat Agreement were at the maximum prices provided under the Agreement. Higher prices prevailed for Amber Durum Wheat sold on a Class II basis.

6. Board Quoted Prices—1953-54 Pool

Board asking prices for wheat (except Durums) were the same for domestic use, for registration under the terms of the International Wheat Agreement and for sales effected on a Class II

basis throughout the period February, 1954 to April, 1955. The following table shows monthly average Board quotations for wheat basis No. 1 Northern in store for this period:

	Monthly Average Asking Prices		
	<u>Ft. Wm./Pt. Ar.</u>	<u>Vancouver</u>	<u>Churchill</u>
	(cents per bushel)		
February, 1954.....	183 $\frac{3}{8}$	186 $\frac{1}{2}$	187 $\frac{7}{8}$ ①
March.....	180	187	189
April.....	182 $\frac{3}{8}$	189 $\frac{3}{8}$	191 $\frac{3}{8}$
May.....	182 $\frac{3}{4}$	189 $\frac{3}{4}$	191 $\frac{3}{4}$
June.....	174	180	183
July.....	170 $\frac{3}{4}$	176 $\frac{3}{4}$	179 $\frac{3}{4}$
August.....	169 $\frac{7}{8}$	175 $\frac{7}{8}$	178 $\frac{7}{8}$
September.....	169 $\frac{3}{4}$	175 $\frac{3}{4}$	178 $\frac{3}{4}$
October.....	169 $\frac{7}{8}$	175 $\frac{7}{8}$	178 $\frac{7}{8}$ ②
November.....	169 $\frac{7}{8}$	175 $\frac{7}{8}$	—
December.....	170 $\frac{5}{8}$	175 $\frac{5}{8}$	—
January, 1955.....	172	173 $\frac{1}{4}$	182 ③
February.....	173 $\frac{5}{8}$	173 $\frac{3}{4}$	183 $\frac{5}{8}$
March.....	175 $\frac{3}{4}$	174	185 $\frac{3}{4}$
April.....	176	174 $\frac{7}{8}$	186

① Board quotations basis in store Churchill commenced on February 16, 1954.

② Churchill quotations discontinued October 19, 1954.

③ Churchill quotations resumed January 5, 1955.

Board wheat quotations basis No. 1 Northern Wheat in store Fort William/Port Arthur for the month of February, 1954 averaged \$1.83 $\frac{3}{8}$ per bushel. From that time they followed a generally downward trend to an average of \$1.69 $\frac{3}{4}$ per bushel in September, 1954 and then increased gradually to a monthly average of \$1.76 per bushel in April, 1955. Board prices basis No. 1 Northern Wheat in store Vancouver increased from a monthly average of \$1.86 $\frac{1}{2}$ per bushel in February, 1954 to an average of \$1.89 $\frac{3}{4}$ per bushel in May, 1954. From that month they declined to an average of \$1.73 $\frac{1}{4}$ in January, 1955 and then rose moderately to an average of \$1.74 $\frac{7}{8}$ per bushel for April, 1955.

Prices were quoted basis in store Churchill from February 16, 1954 to October 19, 1954 applicable to sales for shipment from that port in the 1954 navigation season. In that period Board quoted prices basis No. 1 Northern Wheat in store Churchill followed first an upward trend from an average of \$1.87 $\frac{7}{8}$ per bushel in February to \$1.91 $\frac{3}{4}$ in May, and then declined to an average of \$1.78 $\frac{7}{8}$ in the August to October period. Commencing January 5, 1955 Churchill prices for wheat offered for shipment in the 1955 navigation

season were quoted. In 1955 they varied from a monthly average of \$1.82 per bushel in January to \$1.86 per bushel in April.

In the period August 1, 1954 to April 29, 1955 the selling discounts for the milling grades of wheat in relation to the selling price for No. 1 Northern Wheat were decreased on several occasions. This was a reversal of the trend toward larger selling discounts under the price of the top grade which occurred through the crop year 1953-54. On April 29, 1955 the price spreads for No. 2, No. 3 and No. 4 Northern Wheat below No. 1 Northern Wheat were 3c, 5c and 10c per bushel respectively as compared with 6c, 8c and 12c per bushel on August 3, 1954. Commencing early in 1955, selling spreads for No. 5, No. 6 and Feed Wheat, as well as for Garnets, Red Winters and Alberta Red Winters were widened considerably.

7. Exports

Exports of Canadian wheat and flour are shown in the following table for the first nine months of the crop year 1954-55, with comparative

figures for the corresponding period of the previous crop year:①

	Crop Year 1954-55	Crop Year 1953-54
	(million bushels)	
August.....	19.2	23.7
September.....	29.5	24.5
October.....	24.5	26.0
November.....	24.0	24.2
December.....	19.9	17.8
January.....	17.9	17.6
February.....	16.9	14.0
March.....	20.7	18.2
April.....	16.0 ②	16.1
TOTAL.....	188.6	187.1

For the period August, 1954 to April, 1955 exports of wheat and flour amounted to 188.6 million bushels as compared with 187.1 million bushels in the corresponding period of the previous crop year. Export figures for the months of August, October and November, 1954 were lower than the export levels recorded in the same months of 1953. In September, 1954 and from December, 1954 to March, 1955 exports exceeded those of the same periods of the previous crop year.

8. General Comments on Realized Prices and Carrying Charges

Prior to the 1953-54 Pool coming under sale as from January 30, 1954 wheat prices had declined sharply. The trend towards lower prices became apparent early in the calendar year 1953 when the Board's Class II price declined from \$2.20½ per bushel on January 3, 1953 to close to the I.W.A. level of \$2.03 per bushel in early August, 1953, both prices being for No. 1 Northern in store Fort William/Port Arthur or Vancouver. By mid-September, 1953 the Board's quoted price for Class II wheat had reached the I.W.A. level which by this time was slightly below the maximum price provided for in the Agreement. Both price levels declined steadily in the next few months to the \$1.88 per bushel level by the end of January, 1954.

Within the selling period of the 1953-54 Pool other important price changes occurred. On February 16, 1954 the Board's quoted price for No. 1 Northern Wheat basis in store Fort William/Port Arthur was reduced temporarily by 7c per bushel in accordance with Board policy announced on that date. (See the Annual Report of The Canadian Wheat Board, 1953-54, Page 9). This adjustment did not apply to Board selling

prices for wheat in store Vancouver or Churchill. Prices were quite steady until early June, 1954 when prices for Northern grades in all forward positions were adjusted downward by 10c per bushel effective June 7, 1954. A further slight decline in prices occurred during the last half of 1954 with a moderate recovery in the early part of 1955 to the \$1.76 per bushel level for No. 1 Northern basis in store Fort William/Port Arthur or Vancouver on April 29, 1955.

In the final disposition of the 1953-54 Pool Account—Wheat, the Board realized \$1.72835 per bushel basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver. The corresponding realized sales price for the 1952-53 Pool Account—Wheat was \$1.89718 per bushel. Thus, the decline in Board realized prices (basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver) was 16.883c per bushel.

The decline in wheat prices was, in the case of the 1953-54 Pool, accompanied by a substantial increase in carrying charges. This was due to the increased volume of wheat carried in country and terminal elevators throughout the period of the 1953-54 Pool and the longer period of time during which these stocks were carried. The 1953-54 Pool operated from August 1, 1953 to April 29, 1955—a period of twenty-one months. Actual selling operations commenced following the closing of the 1952-53 Pool on January 30, 1954, and extended to April 29, 1955, a period of fifteen months. Therefore, carrying charges commenced to accrue on a substantial portion of the 1953-54 Pool some six months prior to the Pool being brought under sale. As a result Board costs, consisting mainly of carrying charges, amounted to 16.409c per bushel in the 1953-54 Pool as compared with a corresponding cost of 7.847c per bushel applicable to the 1952-53 Pool.

Thus, lower prices for wheat and sharply increased carrying charges are the two factors which resulted in the price received by producers basis No. 1 Northern Wheat in store Fort William/Port Arthur or Vancouver, declining from \$1.81872 per bushel in the case of the 1952-53 Pool to \$1.56426 in the case of the 1953-54 Pool.

The foregoing result was, of course, a reflection of a slowing down in world demand for wheat, the first impact of which was felt in the early part of 1953-54 when the Prairie Provinces were harvesting their third successive bumper crop. The major exporting countries had average or better crops and competed keenly for available markets. In addition, in 1953-54 a few countries not normally exporters, entered the market with wheat supplies. In 1954-55 the disposal programme of the United States gathered momentum. This programme provides for the disposal of United States wheat in exchange for strategic materials, for local currencies which are largely

① SOURCE: Board of Grain Commissioners for Canada. Includes Ontario Winter Wheat. Figures for 1954-55 subject to revision.

② Exports for the month of April, 1955 estimated.

left with the recipient country for development and other purposes, and for outright gifts as relief measures. In this programme Canada faces increased competition from the United States which cannot be described as being on a commercial basis. In addition, the United States has continued and somewhat intensified its export subsidy policy. These measures have had the effect of substantially increasing United States exports of wheat in 1954-55 and at the same time reducing the potential of Canadian exports and adding to the marketing costs in Canada.

During the past three crop years the Wheat Board has been dealing with a surplus wheat position. Marketing operations under these conditions require time, patience and perseverance in meeting day-to-day problems until a better balance occurs between wheat supplies and available markets. The 1953-54 Pool Account—Wheat involved one of the most difficult operations in the history of the Board. The factors which caused concern may continue for some time but, as during the period under review, the Board will continue its best efforts to merchandise wheat.

9. Statement of Operations and Auditors' Report

Exhibit I following herewith is the final Statement of Operations for the 1953-54 Pool Account—Wheat, covering the period from August 1, 1953 to April 29, 1955. This statement is followed by the Auditors' Report.

All of which is respectfully submitted.

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTSON,
Commissioner

THE CANADIAN
1953-54 Pool
STATEMENT OF
For the period 1st August

Wheat acquired:

Purchased from Producers at Board initial prices basis in store Fort William/Port Arthur or Vancouver.....
Net bushels acquired from the adjustment of overages and shortages, etc., at country and terminal elevators at Board prices basis in store Fort William/Port Arthur or Vancouver.....
Purchased from 1952-53 Pool Account—Wheat.....

Wheat sold:

Completed sales at realized prices basis in store Fort William/Port Arthur or Vancouver:
Domestic.....
Export sales at Class II prices.....
Export sales under the terms of the International Wheat Agreement.....
Sales to the 1954-55 Pool Account—Wheat.....
Weight losses in transit and in drying.....

Surplus on wheat transactions.....

Deduct: Carrying costs, interest, administrative and general expenses, etc:

Carrying charges:

Carrying charges on wheat stored in country elevators.....
Storage on wheat stored in terminal elevators and mills.....
Net interest, exchange and bank charges.....
Net additional freight on wheat shipped from country stations to terminal positions.....
Handling, stop-off and diversion charges on wheat warehoused at interior terminals.....
Drying charges.....
Administrative and general expenses to 29th April 1955.....

Surplus on operations of the Board on the 1953-54 Pool Account — Wheat, for the period
1st August 1953 to 29th April 1955.....

GEO. McIVOR,
Chief Commissioner

W. C. McNAMARA,
Assistant Chief Commissioner

W. RIDDEL,
Commissioner

W. E. ROBERTS,
Commissioner

53 to 29th April 1955

[illegible]

This is the Statement of Operations which is referred to in our report of this date attached hereto.

Winnipeg, Manitoba,
May, 1955.

MILLAR, MACDONALD & CO.
Chartered Accountants,
Auditors.

AUDITORS' REPORT

MILLAR, MACDONALD & CO.

CHARTERED ACCOUNTANTS

To The Canadian Wheat Board,
Winnipeg, Manitoba.

We have conducted an audit of the accounts and records of The Canadian Wheat Board in which are separately recorded the transactions relating to the 1953-54 Pool Account—Wheat for the period from 1st August 1953 to 29th April 1955 and have examined the Statement of Operations, Exhibit I, which sets forth the results of the Board's operations thereon for the same period. We have obtained all the information and explanations which we have required from members of the Board, its officers and employees. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting data as we considered necessary in the circumstances.

In our opinion the accompanying Statement of Operations—Exhibit I is properly drawn up so as to exhibit a true and correct view of the results of the operations of The Canadian Wheat Board on 1953-54 Pool Account—Wheat for the period from 1st August 1953 to 29th April 1955, according to the best of our information, the explanations given to us, and as shown by the books of the Board.

MILLAR, MACDONALD & CO.

Chartered Accountants,
Auditors.

Winnipeg, Manitoba,
14th May 1955.

